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NEWS SUMMARY

GENERAL

Dublin's tight security for PM

Mr. Edward Heath, the Prime Minister, and Mr. Liam Cosgrave, the Irish Prime Minister, meet in Dublin to-day for talks on an Ulster settlement.

Mr. Heath's visit—the first official one by a British premier since an independent Irish state was established more than 50 years ago—has led to the biggest security operation in the Republic's history.

The talks were expected to concentrate on two main areas, covering the proposed Northern Ireland Executive, and plans for the creation of an all-Ireland Council. Back Page

Swedish poll in balance

[illegible]oting in the Swedish general [illegible]ection took place as the nation [illegible]ourned the death of King Gustav Adolf, 90.

The election is expected to produce a close result. It will decide whether the Social Democrats, in power since 1932, should continue in office, or whether the opposition Centre, Liberal and Conservative parties should be given the chance to form a coalition. Early returns favoured the latter possibility. The monarchy enters a new phase—Page 7

[illegible]berals set [illegible]r conference

The Liberal Party's most signi[illegible] for years opens [illegible] Southport to-morrow with [illegible] on Parlia[illegible]entary reform, education, food [illegible]d agriculture and the status [illegible] women.

Mr. Jeremy Thorpe, the Liberal Leader, said the aim of the Party was to gain the opportunity of "putting our own policies into effect," rather than hold the balance of power. Back Page

Kremlin policy condemned

A "human rights" group in the Soviet Union has issued a statement condemning Kremlin policy on the treatment of dissidents. Nuclear scientist Andrei Sakharov, who is under attack by the authorities, has accepted in principle the offer of a professorship at Princeton University, U.S. Page 7

Rebels ambush police in Cyprus

Gunmen believed to be supporters of General Grivas, rebel contender for leadership in Cyprus, ambushed a police vehicle near Limassol, gravely wounding a policeman. Other attacks, including a bomb explosion at the home of a supporter of Archbishop Makarios, are feared to mark the beginning of a wave of violence.

Hungary leader in accident

Mr. Peter Valyi, Hungary's deputy Prime Minister, was "gravely ill" after toppling into a molten iron foundry pit at Miskolc, Hungary.

In an attempt to rescue the minister a senior foundry official also sustained serious injuries.

Zurich bomb

A bomb which caused damage but no casualties at an International Telephone and Telegraph group subsidiary in Zurich is believed to have been planted by pro-Allende sympathisers.

Two bombs exploded outside a British army school at Moenchengladbach, West Germany. No [illegible].

[illegible] Bond £25,000 winner, [illegible] lives in Breconshire.

BUSINESS

Dutch revalue Guilder by 5%

● DUTCH GUILDER has been revalued by 5 per cent. and Italy's bank rate raised 2½ per cent. to 7 per cent. in a batch of European anti-inflationary moves. Further measures in the Netherlands, expected to include some control of wages and prices, are expected to be announced in to-morrow's budget.
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Editorial Comment Page 14

● WORLD BANK channelled a record $3,555m. in assistance to developing countries in the 12 months to June 30 and has now achieved the five targets set by its president, Mr. Robert McNamara, when he took office in 1968. Page 7

● MR. ANTHONY BARBER, Chancellor of the Exchequer, yesterday left London for Dar es Salaam where he is to attend meetings of the Commonwealth Finance Ministers, IMF and International Bank for Reconstruction and Development. See Men & Matters, Page 14

● BRITAIN and Italy are the only two major car producing countries that have not benefited from the world-wide boom in demand for vehicles. Page 23

● MOTOR INDUSTRY faces another week of disruption caused by the continuing strikes at Chrysler U.K. and the Adwest Engineering component factory. Page 23

● LEADERS of the CPSA, the biggest civil service union, have suspended plans for industrial action as a result of the Pay Board report on anomalies last week identifying civil servants as a "special case." Back Page

Mortgage moves under study by societies

● BUILDING SOCIETIES are studying the possibility of extending the mortgage repayment period to 35 years and linking interest rates to the cost of living. Page 23. Mr. Heath said at the week-end the Government was dissatisfied with the present system of financing house purchase. It needed to be more "flexible." Page 11

● GREATER LONDON Council is negotiating a £35m. Swiss franc loan from a group of Swiss banks. The loan will be covered against a sterling devaluation by the GLC and not, as is usual, by the Treasury. Page 23

● MARCONI Communications Systems has won, through Amalgamated Wireless (Australia) a major share of orders so far placed by broadcasting companies for colour television equipment for Australia's service which is due to start in 1975. Page 4

● CENTRAL BUILDINGS, the former Hop Exchange in South London, will be restored if a plan by J. Lyons to provide 58,000 square feet of offices there is approved by Southwark Council. Page 5

● DOUBLE DIAMOND pale ale, Allied Breweries' top-selling brand, is to go on sale in Belgium, where Bass Charrington, Watney Mann, Whitbread and Young are already in the beer market. Page 5

● ANTI-CONCORDE Project has advised its American counterpart to monitor the noise level of Concorde 02 when the airliner visits the U.S. for the first time at the end of this week. Page 39

● LAIRD GROUP forecasts taxable profits of over £8m. for 1973, against £5.26m. in 1972, and a rise in the dividend total from 12.5 per cent. to a maximum presently allowable 13.125 per cent. Page 24 and Lex

ON OTHER PAGES

CBI plea to Heath on profit margins

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

CBI LEADERS will tell the Prime Minister to-morrow that they believe essential investment will be jeopardised unless he removes controls on profit margins and changes a Price Code rule which also threatens to reduce profits significantly in the current financial year.

The CBI feels that to-morrow's meeting with Mr. Heath at Downing Street may be the last real chance it will have of influencing the shape of Phase Three of the Government's counter-inflation policy.

Crucial talks

This meeting will be followed by discussions between the Prime Minister and the Retail Consortium on Wednesday, and with the TUC on Thursday in a week of crucial talks.

Because they see to-morrow's meeting as possibly their last chance, the CBI leaders are determined to hammer home to the Prime Minister the danger they see to the U.K. economy of inadequate profits.

They can be expected to take a strong stance on this issue, despite the seemingly healthy results now being reported by many companies and their awareness of the controversy any change in profit controls would cause during a further period of wages restraint.

"Although higher money profits have been reported recently they are from a very low base," Mr. Lucien Wigdor, deputy director general of the CBI, argued last night. "In real money terms these profits are illusory."

The CBI team, led by Sir Michael Clapham, the president, and Mr. Campbell Adamson, the director general, will take a detailed statistical analysis of the profits situation to the talks.

Broadly, they will argue that the 17.9 per cent. rise in gross company profits shown in recent statistics for 1972-73, compared with the previous year, should largely be discounted.

The CBI argument is that the increase is from a low base, and that after allowance for stock appreciation and capital consumption it is likely to have been less than 17.9 per cent. anyway.

In addition, the CBI will claim, pre-tax profits as a percentage of national income have risen by only one-tenth of 1 per cent. compared with 1971-72 and have not changed at all as a percentage of net capital stock valued at replacement cost.

A CBI paper shows pre-tax profits as £3,218m. in 1972-73, or 6.7 per cent. of the national income of £48,116m. Although marginally better than the 6.6 per cent. of 1971-72, this is well below the 13 or 14 per cent. recorded in the 1950s or even the 10 to 12 per cent. of the 1960s. A similar decline is shown in the relationship between pre-tax profits and the return on capital employed.

Overall, the CBI team will argue, the purchasing power of pre-tax profits has fallen by very nearly one-third between 1963 and 1971-72.

The CBI maintains that substantial increases in real terms would be needed this year and next, totalling nearly 50 per cent., to recover to even the 1963 level.

One of the problems the Confederation *may* run into in persuading the Government to remove controls on profit margins is that there does not appear to be any certain way in which it can be ensured that higher profits are ploughed back into the investment needed to sustain economic growth.

Retained profit

The CBI has been working on a plan to guarantee that retained profits not distributed as dividends are earmarked for future investment, and not simply passed on to shareholders later, but this is believed to have been discounted as impractical.

The key change which the CBI wants in the Price Code is related to a rule on how the maximum permitted price increases by companies should be calculated.

Effectively, as already reported in the Financial Times, this means that companies would have to raise production volume by 25 per cent. or more in order even to maintain profits at pre-Phase Two levels.

The CBI wants it changed even if this means, as the Confederation suspects it would, an even more rigorous price control regime.

In essence, the CBI feels that although Phase Three should start as a compulsory policy, it should develop as it goes along, with a possible transition to a voluntary and more flexible policy in mid-stream.

Although it cannot see any possibility of an early return to free collective bargaining, it hopes that there will be the chance to move to a period in which managements and unions have the opportunity for "reasonable" negotiation.

The CBI is convinced that there will have to be a pay rise during Phase Three, and appears to be in favour of a percentage figure. There have been indications that it is thinking in terms of a wage increase of, say, 6 to 7 per cent. to take care of inflation and another 2 to 3 per cent. for extra consumption.

On top of any pay norm, the CBI would build threshold and productivity elements, and would add a further amount for cases where extreme pay anomalies have arisen.

Although the CBI would like to see a return to productivity bargaining in Phase Three, it is thinking only of agreements which can be shown to achieve a higher output per man in the plant.

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Tables, Page 33

Herron killing may be work of Protestant fringe group

BY RHYS DAVID — BELFAST, Sept. 16.

MR. TOMMY HERRON, former vice-chairman of the militant Protestant Ulster Defence Association and a key figure in "Loyalist" circles in Northern Ireland, was found shot dead in a ditch at Lisburn near Belfast to-night.

The discovery came 48 hours after Mr. Herron, who survived an assassination attempt three months ago, was reported missing in East Belfast. It looks like another round in the feuding that has been going on in the extreme Protestant organisations.

The UDA whose members have been out searching for Mr. Herron in force over the week-end, have said they do not believe either wing of the IRA was involved, and the areas from which Mr. Herron disappeared and in which he was discovered tend to bear this out.

Certainly, the murders do not fit into any pattern of IRA killings and there would appear to be no reason for them to wish to remove him at this stage.

Disputes among the various groups on the extreme Protestant fringe first surfaced three months ago when Mr. Herron's brother-in-law, Mr. Michael Wilson, was shot dead by gunmen who burst into Mr. Herron's home. The killers have not been caught, but it is widely thought the were from another Protestant organisation and that Mr. Herron was the probable target.

Mr. Herron has aroused the enmity of other Protestant groups in the past because of the fund-raising activities of the UDA in East Belfast, the area in which he was mainly influential.

At the time of the Wilson killing a number of publicans in East Belfast admitted they were being obliged to make regular payments to the UDA, and it is thought some of these approached the banned Ulster Volunteer Force to ask for action to be taken against the UDA.

The collections are believed to have continued on a reduced scale, and it is Mr. Herron's involvement in these operations which may have brought his death.

Mr. Herron was held by police last month after being stopped at a checkpoint while in possession of several thousand pounds. He was released after explaining that the money was destined for the defence fund of a UDA member on trial in Dublin on a double murder charge.

Other tensions have also come to the surface within the UDA in recent months. Mr. Herron is believed to have been a member of a new smaller inner council, but there is known to have been a wide split between the west and east Belfast wings of the movement. The headquarters have been moved from Mr. Herron's area to the west of the city.

At the same time other more extreme groups such as the UFF consisting of dissatisfied UDA members have emerged and have claimed credti for a number of sectarian assassinations and bombings. The UFF, which probably consists of only a handful of extremists, has favoured direct attacks on the IRA rather than the "defensive" posture of the UDA.

Although it remains possible that Mr. Herron's murder is the result of a leadership struggle, or a dispute over the policy which should be adopted at this stage, it seems more likely to be connected with doubts over where much of the money which has been collected has ended up.

If this is the case and IRA involvement is ruled out it seems unlikely the murder will have far-reaching significance, although there could be reprisal killings in what appears to resemble an outbreak of gangster warfare.

The UDA has lost much of the support which it once enjoyed in militant Protestant area, and has not recovered from a highly unsuccessful shooting attack on the Army earlier this year. The attack was intended to act as a warning against the arrest of militant Protestant leaders, but ended in the death of an innocent civilian.

OPEC sets date for talks with West on new deal

BY RICHARD JOHNS — VIENNA, Sept. 16.

THE ORGANISATION of Petroleum Exporting Countries has set October 8 as the date for negotiations here with Western companies on increased revenues to take account both of higher oil prices realised in the market over the past year and the pace of world inflation.

Member-states clearly are seeking a new deal that will mean replacing, rather than revising, the five-year Tehran prices settlement originally meant to last until the end of 1975.

The conference here this week-end decided that the six Gulf producers, according to established pattern, should negotiate first. Libya and Nigeria would then reach settlements based on the Gulf terms. Venezuela, Indonesia and Algeria already set their own tax references more or less in accordance with market forces.

Delegates at the conference strenuously maintained that an upward adjustment of taxes should not involve higher prices for petroleum products. Apart from market conditions, the bigger return on sales enjoyed by the oil companies this year has given particular strength to the latest OPEC revenue demand.

OPEC has backed Libya in its 51 per cent. nationalisation of concessionaires' assets and operations, although it is not clear what action members would be prepared to take in the face of an embargo.

Dr. Abderrahman Khene, the secretary-general, said after the conference: "In the event of any action against Libya the conference of OPEC would seek appropriate measures."

However, with the departure of a tanker from the Ras Lanouf terminal of Amoseas the crunch could come soon. Shipments by the two partners in this concern, Texaco and Standard California, had been halted because of the Government's insistance that Amoseas, together with other operators, should sign documents acknowledging 51 per cent. of any oil loaded to be State-owned.

On prices OPEC wants, first, a new arrangement for members to be compensated for the closing of the gap this year between posted prices — the notional tax reference — and realised prices. The two are roughly in line over the whole range in production, with the market price of some of the more desirable crudes now exceeding postings.

This has meant in effect that producing states' share of actual value has fallen. They are proposing to establish a mechanism for posted prices to be related to market prices and the differential between the two maintained.

Second, in next month's negotiations they will demand that the tax reference should be periodically adjusted in response to inflationary trends, in particular imports from industrialised countries.

There was no firm agreement on the criteria for relating posted and market prices. Indeed, an alternative method for increasing the producing States' share of the value of oil realised in the market—increasing the rate of taxation from its present 55 per cent.—has been discussed. Iraq appears to favour this course, and Mr. Saadoun Hammadi, Minister of Oil, seemed satisfied with the talks this afternoon.

To-day heads of delegations were locked in discussions on the technical aspects of the OPEC initial demand to be presented to the companies next month.

It has apparently been decided to adopt a flexible position—leaving the formula for satisfying the OPEC's aims on market values and inflation open to negotiation with the companies.

The text of the resolution adopted has not been released. It is believed to contain some thinly veiled threats of collective action—freezing of production has been discussed—if the companies fail to fall in with the new demands.

Members also agreed that the future price structure should make full allowance for quality of oil as measured by sulphur content, with a premium for crudes with a lack of it.

The communiqué issued after this OPEC conference referred to the Abu Dhabi complaint that its crude oil is undervalued by the present posted price and its non-sulphurous quality unrecognised. OPEC has decided to fully support Abu Dhabi.

Chilean junta not seeking power—leader

BY HUGH O'SHAUGHNESSY — SANTIAGO, Sept.16.

"CHILE WILL return to democratic normality, but I don't know when," General Augusto Pinochet, the Chairman of the military junta which took over the country last Tuesday, said to-day in a television interview.

He claimed the junta was made up of "old Generals" who did not want power for themselves, but who had acted for patriotic motives. He confessed to being woried by those sectors of Chilean youth who were not prepared to co-operate with the Government. He declared "I am not a murderer," and added that the Military Penal Code as applicable in time of war would be applied to resisters.

The Junta's first objective, he claimed, was to achieve normality, and secondly to prepare "economic, social and political plans for Chile's recovery."

Hugh O'Shaughnessy, Latin America Correspondent, who has been in Chile for the past three weeks, describes on Page 6 his experiences during Tuesday's coup.

Last night the armed forces network showed pictures of what it said was Dr. Salvador Allende's corpse being taken from Moneda Palace on Tuesday to the military hospital, covered with a poncho of Mexican design. The officer in charge of the assault on the Moneda was seen on the spot saying that he had no proof that Dr. Allende committed suicide but the news reader added that that fact had been certified after an autopsy.

Last night's news programme also showed troops taking away detainees from a tower block in the centre of Santiago, using lorries, one towing a field gun, to transport suspect students after the occupation of the University of Concepcion.

Troops were also shown searching and detaining suspects at the CAP steel works at Huachipato with the aid of naval helicopters, and carrying out a house to house search of the Lo Hermida shanty town in Santiago helped by tanks and armoured personnel carriers. The programme made reference to "suicide attacks" on the Maipo Regiment and the Naval School in Valparaiso.

The conservative daily El Mercurio yesterday reported that detinees were being sent to Alexander Selkirk Island in the Juan Fernandez archipelago, some hundreds of miles off the coast. It also reported that coal miners at the Lota and Schwager pits outside Concepcion, the capital of the south, had at first refused to work but were working normally by the week-end.

General Eduardo Cano of the Chilean Army has taken over the chairmanship of the Central Bank. The restriction on bank operations and the freezing of bank accounts is to be lifted to-morrow.

An increasing number of shops are opening in Santiago, some trains and buses are running again, and food supplies are getting into the city. Some parts, however, report food shortages. A full appreciation of how far previous daily routines have been restored will have to wait until after Chile's two-day annual holiday, which starts on Tuesday.

The Government continues to receive messages of support from professional, technical and traders' organisations. Yesterday, however, Left-wing members of the now banned Christian Democrat Party, including former Senator Bernardo Leighton, ex-chairman of the former Party; Sr. Mariano Ruiz-Esquide, a leading Parliamentarian of the former Party; and former Senator Renan Fuentealva, also ex-president of the former Party; adopted a statement which expressed more trenchant criticism of the events of last week than the former Party had previously expressed.

Support

The former Christian Democratic Party has been criticised abroad, particularly by the Italian Christian Democrats, for its lack of response to Tuesday's events. The former Conservative National Party has expressed its full support for the new Junta.

All Parties were abolished by the Junta on Friday.

Our Foreign Staff adds: Sr. Alvaro Bunster, the Chilean Ambassador to Britain, whose embassy has been taken over by Rear Admiral Oscar Buzeta, his naval attaché, is to call on the Foreign Office this morning in an effort to clear up his status in Britain.

● In London police arrested a number of demonstrators yesterday as more than 3,000 slogan-chanting people marched on the Chilean Embassy. Mounted police guarded the front of the embassy as the demonstrators, protesting at the military take-over in Chile, handed out leaflets and shouted "Viva Allende."

Mr. Ron Hayward, General Secretary of the Labour Party, yesterday called on the Government not to recognise the new Chilean régime and to suspend all aid to the country.

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY

Productivity techniques · Inflation accounting

Productivity techniques

Sir,—Ted King, in his letter on productivity techniques (September 12), pleads for the increased use of techniques such as work study and organisation and methods.

Bearing in mind that the basic concepts of work study are at least 75 years old, I wonder why they haven't been more successfully applied across the board in industry.

Possibly the answer lies in the fact that people, be they shop floor workers, clerical workers or management, loathe being told what to do and how to do it.

What many managements and most work study or O and M officers appear to ignore is that, while most operators enjoy working in an efficient organisation, they object strongly to being treated as second-class citizens.

The lessons of the car industry should ring out loud and clear. Unfortunately there are still many work study departments advocating the introduction of boring, frustrating treadmill occupations.

May I suggest a simple philosophy?

Accept that the average person goes to work each day hoping that his or her job will give a sense of satisfaction.

This satisfaction is obtained by a sense of achievement. With some people this may be by reaching a high performance in quality and/or quantity. Others need the stimulation of solving problems.

Select the right person for each job, let it be known what is expected of him and help him to achieve this result.

British management, together with its specialist advisers, is in many firms too concerned with fitting people into standard moulds rather than in helping them develop.

Ted King's work study practitioners may well be better employed if they abandon the desire for standardisation and adapt their skills to coaching others to maximum performance.

No doubt this would lead to skirmishes between work study and training departments as to who does what but surely there is room for all, possibly under a new name.

We certainly need new solutions to our age-old problems. It may be achieved by using our existing techniques in new ways.

A. E. Williams.
27, Princes Road,
Clevedon, Somerset.

Inflation accounting

Sir,—You have already published two letters highly critical of the article by John Kay entitled "The historic cost principle must go." It is possible to find still further weaknesses in his article but the major criticism must be that he completely fails to understand the purpose of ED8.

The aim of the ASSC is to provide a measure of earnings which allows for the effect of inflation and is comparable between companies. For this purpose it does not matter very much what index numbers are used to measure inflation but it is essential that the same index numbers are used for all companies.

Replacement cost accounting may have a value for internal purposes but the use of different indices for each company introduces a distortion when you are making comparisons. In addition it does not show the impact of inflation on monetary assets and so does not give the full picture.

For these reasons the ASSC rightly preferred CPP accounting (based on adjustment of historic cost) to replacement cost accounting. If its proposals are adopted Britain will regain its lead in accounting principles. We will become the first country to show really "true and fair" profits of all major companies on a broadly comparable basis removing the distortions caused by inflation.

A. P. Thompson.
The Warren,
Briar Hill, Purley.

Industrial health

Sir,—Although you have previously published letters from Dr. David S. Ross and myself on this subject, neither of us appears to have caused a flood of correspondence relating to the Robens Report and its implementation in the "Proposals for a Safety and Health at Work Bill" (Department of Employment RB/3B June 1973).

However, I thought that readers of your columns would be interested to know that a symposium was held at the Wolverhampton Polytechnic Management Centre on September 5 to consider the proposed Bill. It is intended that a résumé of the deliberations of the invited audience will be submitted to the Department of Employment as "comments on the proposals."

As the first speaker and "theme setter" for the symposium I will not attempt to "summarise the summary" but I would commend to all employers and top management an urgent close study of the Bill and its implications, not only with regard to their own responsibilities for industrial health and safety but also the necessity for adequate education, training and research in Industrial Health Management. This point was made by both the Central Training Council and the Trades Union Council in their written evidence to the Robens Committee, yet public awareness of the requirements in this field of management training seems to be sadly lacking.

P. A. Cartwright.
Senior Research Fellow,
Department of Social Medicine,
University of Birmingham,
Birmingham.

Workers' control

Sir,—I refer to the letter of Alistair Campbell (September 4) on workers' control, in which he puts the point that in order to achieve it realistically, labour should employ capital. I assume by workers he means those who work, which, hopefully, includes you and me. He refers to painless developments in this direction in various European countries, and such there are. They are, however, except in France, the result of isolated acts by individuals.

He designates this as a revolutionary concept and so it is. With a similar few words expresing the notion that private capital should be abolished, Karl Marx became the ideological impetus for a pretty substantial revolution.

I agree with Mr. Campbell that there can be no real responsible control by those who work over their destinies unless they are both owners and hirers of capital. Property makes you free and freedom makes you responsible—the only trouble is too few people have got it in any real sense, and so our industrial world divides itself into two camps, of those who are or identify themselves with owners, and those who are and who identify themselves with workers—see Joe Rogaly's recent articles.

Ergo, if this is the route to sound and industrial peace, how can this revolutionary concept be achieved without a bloody revolution?

I refer your readers to two works, one "A Message to Melchester" produced privately by H. N. H. Blackburn, and the other "Le Pancapitalisme" by the French industrialist, Marcel Loichot. In the second, considerable political effect was achieved, as one of de Gaulle's last acts as a result of this book was to introduce legislation limiting the return of capital in favour of those who work with it in France. It's consequences and practical application are yet to be seen. In the first, the concept of "a deal" between capital and labour is broadly expounded.

So far as Britain is concerned, and I suspect France too, in the long run, no such gradual transfer of industrial ownership can be achieved except with the fundamental and enthusiastic agreement of the electorate.

Recent events show that the party of the owners, the Conservatives, are in electoral disarray and the party of the workers, the Labour Party, not much better. Who is the beneficiary? The Liberal Party. Let Jeremy Thorpe finally recognise its destiny again (The Liberal Yellow Book of 1928 expounded it clearly enough) to make peace between capital and labour once and for all through the ballot box, make the Liberal Party a positive force instead of a protest valve—notwithstanding all its good but incohesive policies, and let this party serve as the vehicle for the peaceful settlement of the main problem of industrial man.

C. H. Bloy.
Metana Works,
Crawley, Sussex.

The private landlord

Sir,—I'm not really surprised to read your report on "The End of the Private Landlord," issued by the Fabian Society, as I have expected something of the sort for some time. To pretend that it provides fair compensation for the owner of the property is nothing short of amazing. One might expect someone with a relatively poor education to think it fair but the Society of Labour Lawyers must know better.

The whole thing is based on the "Fair Rent" of the property, which at to-day's values produces a rent which is anything but fair to the landlord.

If I may take as an example a semi-detached two-bedroom house in the Canterbury area, value on the open market £8,500 approximately: furnished for, say, £1,000; this would produce a fair rent of about £10 per week. Running costs would be £1 to the agent, £1 for furniture depreciation (Inland Revenue allowance), at least £1 for repairs and decorations and these days that is very low, 75p a week for rates. This leaves a grand total of £6.25 a week as the amount the report would leave the landlord. Assuming 100 per cent. occupancy, which is unlikely, this is a total of £325 per year, a return of 3.4 per cent.—in this day of high interest rates not a vast return but made bearable by the protection that the property gives against inflation. To suggest that the landlord should receive just the £325 on an undated loan stock with no par value in return for his asset of £9,500 is grossly unfair. This sort of return at present-day interest rates might be expected to have a capital value of around £2,800.

The scheme is nothing less than robbery, but of course this is how all bandit chiefs survive. They remain in charge as long as they can go on providing loot for their followers. As long as they take it from a minority they stay in charge. Just remember though, if this principle (I doubt if it is really worthy of that title) can be applied to property, it can be applied to farms, shares and in the end to small businesses. So all of you who are saying "I'm not a landlord so it doesn't affect me," just think again.

J. M. Atkins.
Perry Court,
Petham, Canterbury, Kent.

Employment of women

Sir,—Different societies have different solutions to problems. This basic fact was proved to me when reading Gillian Dunstan's article on September 1. She discussed the possibilities for educated women of using their education rather than having to stay at home looking after children and feeling that their education had been wasted. This problem is very real in all countries in which women have the possibilties of completing a higher education.

After having described the nature of the problem Gillian Dunstan proposes that the implementation of a crèche system would allow women to be free to continue a career knowing that their children are well looked after by professionally trained child-minders.

Coming from a country, Denmark, where the crèche system is almost fully developed and widely used by families where both parents want or need to go out working, it is my impression that even under these circumstances there are vast problems. The development of the crèche system can only be regarded as the first and necessary stage towards making it possible for women to use the skills and knowledge acquired during their education for making a career.

Many women in my country are presently facing problems that are perhaps even more difficult to solve than the basic problem of finding someone to look after the children while parents are at work.

To most parents it is important how their children develop. In this connection the everyday surroundings in which children find themselves are vital. The professional child-minders will have a great influence on the children as they will be in the crèche or kindergarten most of the day at an age where they are very amenable.

Having disposed of the problem of the children, women will run into difficulties when trying to find a job in which they can use their qualifications. Most employers of professional staff will be inclined to employ men rather than women for the basic reason that they expect to run into less difficulties with male staff. A woman may in due course want a shorter or longer leave in connection with childbirth, she may have to stay at home when a child is ill, etc. Even if she succeeds in getting a professional job the woman will probably find it difficult to get promotion at the same speed as her male colleagues. These problems may be experienced by all women, but they will be particularly severe to the woman with a higher education as in most cases she will expect to get the same jobs as men.

Even if a woman finds herself in a position of having solved the two above-mentioned problems in a satisfactory way she may find that she has in fact got two full time jobs. Most husbands are unwilling to accept the fact that if both parents have equally demanding jobs it is only fair that they share the duties at home. It is only to be hoped that the young generation of parents will be able to bring up both their sons and daughters to be equally aware of the duties in respect of having a home and a family.

If these problems can be solved the future may create less frustrated women and society as such will certainly be better off.

Lone Mørup.
6, Parkholme Road,
London, E.8.

Motorway speed limit

Sir,—I think it always a shame when a suggestion based on careful thought (the Advanced Motorists suggestion to increase the speed limit to 80 mph) receives a literal lashing instead of a balanced argument as to why the limit should remain at 70 mph.

Mr. West-Oram's points (September 11) do not persuade me to his view very much because they seem to be based on emotion rather than on careful observation and study of what really happens.

It is not particularly easy to maintain a steady speed of 80 mph in the normal car seen on the motorways. This could well account for the regular gentle slowing down which causes the overtaken to catch up the overtaker some miles later on.

If this is so, then most cars will adopt a cruising speed, with or without bunching, at 60/70 mph. If we now assume that some drivers actually enjoy bunching then it is reasonable that those who are frustrated by it (and who may, therefore, cause accidents) will have their frustrations reduced by being legally able to escape.

Since most cars do not like to remain at 80 for long, there should be a tendency for bunching to be less likely in the overtaking lane than it is at present.

From observation and experience I would support an 80 mph limit for a trial of one year or so. It would be interesting to have the views of those motorway police drivers whose duties sometimes force them to drive at more than 70 mph.

V. P. Emmerson.
The Oak, Aston Lane,
Aston-by-Stone, Staffs.

Natural rubber production

Sir,—In his article "Natural Bounces Back" in your supplement on Rubber and Synthetic Rubber, Mr. John Edwards states in connection with natural rubber production that small units are much less flexible in regulating production to meet current demand. While this may be true in other industries it does not really apply to the labour intensive rubber plantation business.

Large estates employ permanent labour forces and it is not the practice in Malaysia for estates to lay off labour when the price falls and engage tappers when the price is high. Such a practice if attempted would be certain to prompt a strong reaction from the plantation workers' union. Furthermore, estates normally plan their tapping exploitation programmes to meet long-term goals, and do not as a rule react to price fluctuations by intensifying exploitation when the price is high and reducing it when the price is depressed.

In small units, however, the situation is rather more complex. On the one hand, high prices will encourage tapping from the previously marginal areas but, on the other, at lower prices there may be an increase in production among those for whom rubber is their sole source of income. On balance it is likely that production will be stable whatever the price level.

If there is to be a significant production increase it must stem from replanting, either qualitatively by using higher yielding material or quantitatively by expanding the acreage under rubber. Much of the advantage of high-yielding clones has already been achieved, and the trend in recent years has been for the acreage under rubber to be reduced in favour of the oil palm; estate acreages under rubber have decreased by 19 per cent. in the last ten years and this has been only partially balanced by an increase in smallholder rubber acreages. The total acreage under rubber in West Malaysia, however, has shown no substantial increase in the last ten years.

Mr. Edwards concludes that it is important for natural rubber production to continue [...] as fast as possible if [...] recapture a really sig[...] share of the rubber mark[...] own view is that rubb[...] ducers have no inter[...] increasing market share [...] They are landowners befo[...] are rubber producers. [...] alternative crops are a[...] which will provide a [...] return on investment th[...] forsake rubber and repla[...] other crops.

The switch from rubbe[...] palm in Malaysia in rece[...] bears witness to this. [...] trend will only be reve[...] higher rubber prices [...] sustained over a sig[...] period of time. We ha[...] recently broken out of a [...] price bear market trend [...] years' duration, and M[...] landowners will need a c[...] ably stronger induceme[...] what may prove to be a [...] the pan before they [...] tempted to increase their [...] under rubber.

M. A. C. Saker.
P.O. Box 2516,
Kuala Lumpur.

Juggernauts and fuel

Sir,—Mr. Diamond, in h[...] (September 7), is correct[...] ing that the overall effici[...] the use of the original he[...] in the fuel is about the s[...] electric or diesel operat[...] ways—25 to 30 per cent[...] heat emerges as me[...] energy at the locomotive[...]

While this might be [...] to be very inefficient ar[...] road freight vehicles m[...] some circumstances, do [...] better, the mechanical [...] produced is compa[...] efficiently employed in [...] way situation. For exa[...] a flow of freight was ca[...] 20 tons loads by road ([...] empty return working) [...] overall consumption of [...] this gives 80 net ton m[...] gallon of fuel. If th[...] freight was carried in tr[...] of 600 tons (1,000 tons [...] also with an empty retur[...] ing, the result is 240 [...] miles per gallon of fuel.

The main reasons f[...] result are the much lower [...] resistance to motion [...] characterises the use o[...] wheels on steel rails, [...] reduced air resistance [...] by using trains inst[...] individual vehicles.

If nuclear energy bec[...] important feature of fut[...] supplies and if portabl[...] like oil became scarce[...] transport by electrified [...] would be seen to be eve[...] sensible than it is to-day[...]

C. J. Clemow,
Planning Officer (Develo[...]
British Railways Board,
222, Marylebone Road,
London, N.W.1.

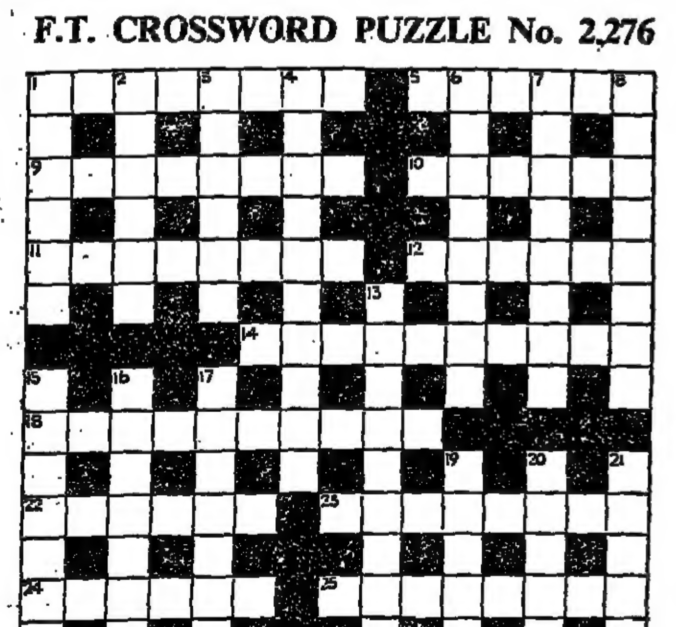
TV/Radio

First of 200 RAF Jaguars

TWO BRITISH Aircraft Corporation-Dassault-Breguet Jaguars have been delivered to the RAF operations conversion unit at Lossiemouth, Scotland. They are the first of 200 of the tactical fighters and advanced-operational conversion trainers to be delivered to the RAF. Another 200 are to be taken by the French air force.

The RAF's 200 aircraft will form nine squadrons. The supersonic Jaguar can carry up to 10,000 lbs of weapons and operate from short runways. The French air force has already formed its first squadron of Jaguars at St. Dizier.

F.T. CROSSWORD PUZZLE No. 2,276



ACROSS

1 Military two-step? (3-5)
5 Merry by Jupiter (6)
9 Weapon going the rounds (8)
10 Clergyman a member has to patch up (6)
11 Joy gets it in university term (8)
12 As tide turned Teddy got ready for press (6)
14 Water supply at home always? Goodness me (4, 1, 5)
18 An auctioneer has to keep on persevering (6, 4)
22 Boxer caught in seething mass (6)
23 Faithful but real depressed (4, 4)
24 Urge to be fairly near so to speak (6)
25 Valve got up to look like a lily (8)
26 Brood on a stretcher (6)
27 Near to giving a disc-jockey a foreign coin (8)

DOWN

1 Line up your local dignitary (6)
2 Sheridan's opponents (6)
3 Everybody on river seeking glamour (6)
4 Grumble at having to get one's teeth into local paper (4, 3, 3)
6 Far from rare to be finished twice (8)
7 During part of play I have become sluggish (8)
8 RIP a lady carved up by stone-cutter (8)
13 Faultless performance mounted on patent cycle (5, 5)
15 Let William see theatre notice (8)
16 Understood how to make mischief lawful (8)
17 Dismantle trestles and go live elsewhere (8)
19 Hereditary factor Virginia finds in foreign capital (6)
20 Recess for a Leatherhead fellow (6)
21 Note Green has to fall back (6)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

BBC 1

† Indicates programme in black and white.

9.38 a.m. For Schools, Colleges. 12.20 p.m. A Chance to Meet—Sir John Betjeman. 12.55 Dechrau Canu Dechrau Canmol. 1.25 News. 1.30 Andy Pandy. 1.45 The Fanatics. 2.02 For Schools, Colleges. 2.50 Times Remembered . . . by children from abroad. 3.00 Scope. 3.30 Bobby Charlton—the player, the man, the manager. 4.00 Play School. 4.25 Yogi Bear. 4.35 Jackanory. 4.50 Blue Peter. 5.15 The White Horses. 5.40 Adventures of Parsley.
5.45 News.
†6.00 Nationwide.
6.40 Sykes.
7.10 Star Trek.
8.00 Panorama including an interview with Rt. Hon. Jeremy Thorpe, MP, Leader of the Liberal Party.
8.50 Natural Break.
9.00 Nine O'clock News.
9.25 "Madigan," starring Richard Widmark.
11.05 Mastermind.
11.35 Late Night News.
†11.40 Fact and Fiction: Henry VIII.

All Regions as BBC 1 except at the following times:—

Wales—1.30-1.45 p.m. Ar Lin Mam. 6.00-6.45 Wales To-day. 6.45-7.05 Heddiw. 7.05-7.15 Tom and Jerry. 7.15-8.00 Spanish Riding School. 11.05-11.35 Valuation for the Purpose of . . . (play). †12.07 a.m. News of Wales.

Scotland—6.00-6.40 p.m. Reporting Scotland.

Northern Ireland—6.00-6.40 p.m. Scene Around Six. †12.07 a.m. Northern Ireland News Headlines.

England—†6.00-6.40 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). †12.07 a.m. Regional News Headlines.

BBC 2

11.00 a.m. Play School.
†5.25 p.m. Open University.
7.30 News Summary.
7.35 Opinion: In Conquest of Cancer.
8.00 The High Chaparral.
8.30 Call My Bluff.
9.25 Show of the Week: The Young Generation Big Top.
10.10 One Pair of Eyes.
†10.50 News Extra.

LONDON

9.30 a.m. Schools Programmes. 12.05 p.m. Cartoon Time. 12.25 Sing to the Animals. 12.40 First Report: News with Robert Kee, FT index. 1.00 Mr. and Mrs. 1.30 Emmerdale Farm. 2.00 Farmhouse Kitchen. 2.25 Good Afternoon! †3.00 A Family at War. 3.55 Whose Baby? 4.25 Clapperboard. 4.50 Freewheelers. 5.20 . . . And Mother Makes Three.
5.50 News from ITN.
6.00 The Shadoks, followed by To-day.
6.40 Opportunity Knocks!
7.30 Coronation Street.
8.00 Singalongamax.
8.30 World in Action.
9.00 Crime of Passion.
10.00 News at Ten.
10.30 Here We Go Again.
11.00 Make a Break.
12.10 a.m. Education for What?: Barbara Blake talks to Peter Cousins of Gipsy Hill Teachers Training College.

All ITV Regions as London except at the following times:—

ANGLIA

2.30 p.m. Houseparty. 6.00 About Anglia. 10.30 Gardening Diary. †11.00 "Never Put It in Writing," starring Pat Boone. 12.35 a.m. Faith At Work.

ATV MIDLANDS

12.00 ATV Programme Guide. 12.05 p.m. Man and his World. 6.00 ATV To-day. 10.30 Citizens' Rights. 11.00 Gardening To-day. 11.30 Christmas at Large. 11.35 Man in a Suitcase.

BORDER

12.05 p.m. The Enchanted House. 6.00 Border News and Lookaround. 6.15 Look Who's Talking. 10.30 The Pig and Whistle. 11.00 Journey to the Unknown. †11.57 Border News Summary.

CHANNEL

12.55 p.m. Channel News Headlines. 2.00 Let's Face It. 2.30 Women To-day. 6.00 Channel News. 6.10 Survival. 10.30 Branded. 10.55 Journey to the Unknown. 11.50 News and Weather in French followed by Channel Gazette.

GRAMPIAN

12.00 Mid-day Round-up. 12.05 The Funky Phantom. 2.25 At Your Service. 6.00 Grampian News. 6.05 The Jim MacLeod Show. †10.30 The Untouchables. 11.25 Mathman. 11.45 Island Eden. 12.15 a.m. Meditation.

GRANADA

12.05 p.m. Man and His World. 6.00 Northern News followed by What's On? 6.30 This Is Your Right. 6.35 Bugs Bunny and Friends. †10.30 Crime and Mystery: "Somewhere in the Night," starring Richard Conte.

HTV

1.00 p.m. Whicker. 2.30 Housecall. 6.01 Report West. 6.22 Report Wales. 10.30 Late Night Cinema: "Tony Rome" starring Frank Sinatra.

SCOTTISH

12.05 p.m. Paulus. 2.00 Walkabout Edinburgh. 2.30 Housecall. 4.25 The Adventures of Superman. 6.00 Scotland Today. 6.30 Professor Balthazar. 10.30 The Melody Lingers On. 11.00 Gardening Today. 11.30 Late Call. 11.35 Upper Crusts.

SOUTHERN

12.05 p.m. Southern News. 12.10 Hammy Hamster's Adventures on the Riverbank. 2.30 Houseparty. 6.00 Day by Day. 10.30 Truscott's Luck. 11.00 The Streets of San Francisco. 11.55 Southern News Extra. 12.05 a.m. Farm Progress.

TYNE TEES

9.20 a.m. The Bible and the Family. 12.00 Daily Fable. 12.05 p.m. The Enchanted House. 2.30 North East News Headlines. 4.25 The Osmonds. 6.00 To-day At Six. 6.35 Cartoon Time. 10.30 In The Picture—new arts series with Melvyn Bragg. 11.00 The Streets of San Francisco. 11.55 Late News Extra. 12.10 a.m. The Protectors. 12.40 Lectern.

ULSTER

12.05 p.m. Hammy Hamster's Adventures on the Riverbank. 12.15 Cartoon Time. †12.59 Ulster News Headlines. 2.30 Women Only. 4.23 Ulster News Headlines. 6.00 UTV Reports. 6.15 Me and the Chimp. 10.30 Monday Night with the Rev. Dr. J. C. Coombe, Rector of St. Barnabas', Belfast. †11.00 Monday Movie: "Mary Had A Little . . .", starring Jack Watling and John Bentley.

WESTWARD

12.05 p.m. Man and His World. 12.25 Gus Honeybun's Birthdays. 12.30 Westward News Headlines. 2.00 Let's Face It. 2.30 Women To-day. 6.00 Westward Diary. 6.20 Sports Desk. 6.35 A Date with Danton. 10.30 Westward Late News. 10.33 The Summer of '73. 10.55 Journey To The Unknown. 11.50 Faith For Life.

YORKSHIRE

12.05 p.m. The Morris Melodies Show. 6.00 Calendar. 10.30 Emmerdale Farm. 11.25 The Streets of San Francisco. 12.20 a.m. Untamed World.

RADIO 1 247m

(S) Stereophonic broadcast

Time, traffic, and News summaries at 5.00 a.m., 5.30, 6.00, 6.30, then every hour on the half-hour until 6.30 p.m., 7.00, 8.00, 9.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.02 a.m., 5.32, 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 6.33, 2.02 a.m.

5.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Dave Lee Travis including 12.30 p.m. Newsbeat. 2.00 David Hamilton. 5.00 Radio 1 Club with Rosko from the Eagle Club, RAF Leuchars, Fife including 5.30 Newsbeat. 7.30 As Radio 2. 10.00 Sounds of the 70s: (S) Bob Harris: also on VHF. 12.00-2.02 a.m. As Radio 2.

RADIO 2 1,500m and VHF

Time, traffic, and News summaries at 5.00 a.m., 5.30, 6.00, 6.30 (VHF and 247m) 7.00, 7.30, 8.00, then every hour on the hour until 5.00 p.m., 5.30, 6.00, 6.30, 7.00, 8.00, 9.00 (VHF and 247m) 10.00 (1500m) 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.02 a.m., 5.32, 6.02, 6.33 (VHF and 247m) 7.02, 7.32, 8.02, 9.02, 12.15 p.m., 5.32, 6.15, 6.22, 2.02 a.m.

5.00 a.m. News Summary. 5.02 Tom Edwards (S) with The Early Show including 6.15 Pause for Thought. 7.02 Terry Wogan (S) introduces Nat King Cole, this week's Radio 2 star, at 8.10, including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 2.30 p.m. Joe Henderson (S) and music in singalong style including 1.45 and 2.45 Sports Desk. 3.02-5.00 John Dunn (S) including 3.45 Sports Desk. 4.15 Waggoners' Walk and 4.45 Sports Desk. 5.02 Tony Brandon (S) including 5.45 Sports Desk. 6.50 Sports Desk. 7.02 The Navy Lark. 7.30 The Song Stylists. 8.02 Humphrey Lyttelton with The Best of Jazz on records. 9.02 The Big Band Sound (S). 10.02 Late Night Extra 1500m (202m in Scotland) including 10.15 Sports Desk. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride (S). 2.00 News Summary.

RADIO 3 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture: Salieri, Dussek, Schubert (S). 8.00 News. 8.05 Morning Concert: Gretry, arr. Leppard, Balakirev, Berkeley (S). 9.00 News. 9.05 This Week's Composer: Strauss (S). 10.00 The Living British Composer: (S). 11.00 Talking About Pianists: Vlado Perlemuter talks to Robin Day about Alfred Cortot, his teacher in Paris. 12.00 Hindemith and Brahms: (S). 12.30 p.m. Vienna 73: Concert, part 1, Bohm conducts Mozart (S). 1.00 News. 1.05 Vienna concert continued: Fischer-Dieskau and Bohm, Kinetn, Mozart (S). 2.00 Richard Hall (b. September 16, 1903) programme to mark the 70th birthday of the Yorkshire composer (S). 2.55 New Records (S). 4.35 Music for Organ (S). 5.15 Bandstand (S). 5.45 Homeward Bound. 6.05 News (medium wave only). 6.10 Homeward Bound (continued) (medium wave only). 6.30-7.30 Study On 3 (medium wave only). 7.30 City of Birmingham Symphony Orchestra: part 1. Stravinsky, Mozart (S). 8.20 Cosmology Now. 8.40 Concert: part 2, Liszt, Wagner (S). 9.35 Planning Adrift. 10.25 Master Lesson (S). 11.55 News.

RADIO 4

434m, 330m, 285m & VHF

6.25 a.m. News. 6.27 Farming Week. 6.45 Prayer For The Day. 6.50-8.45 To-day. 6.50 (medium wave only) Travel News, What's On and Keep Fit. 6.55 Weather and Programme news. 7.00 News and more of To-day including 7.25 Sports Desk. 7.35 To-day's Papers. 7.45 Thought for the Day. 7.50 Travel News (medium wave only). 7.55 Weather and programme news. 8.00 News and more of To-day including 8.25 Sports Desk and 8.35 To-day's Papers. 8.45 Yuki. 9.00 News. 9.05 Start The Week with Richard Baker. 10.00 News. 10.05 Wildlife (medium wave only). 10.30 Daily Service. 10.45 Morning Story (medium wave only). 11.00 News (medium wave only). 11.05 A Story of Our Time (medium wave only). 11.50 Turning Point (medium wave only): Lord Thomson of Fleet. 12.00 News. 12.02 p.m. You and Yours. 12.27 Desert Island Discs. 12.55 Weather, programme news (medium wave only). 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (2.00-2.02 News) (medium wave only from 2.00). 2.45 Listen with Mother (medium wave only). 3.00 News. 3.05 Afternoon Theatre (S): "Stringer's Last Stand." 4.35 Story Time. 5.00 PM Reports. 5.50 Stock Market Report (medium wave only). 5.55 Weather, programme news. 6.00 News. 6.15 Just a Minute. 6.45 The Archers. 7.00 News Desk. 7.30 Frank Muir Goes Into . . . Marriage and investigates the subject with the help of Alfred Marks. 8.00 The Monday Play. 9.29 Weather. 9.30 The World Tonight. 10.15 Book at Bedtime. 10.30 Kaleidoscope. 11.00 The Lure of the Past. 11.15 News. 11.31-11.36 Market Trends.

RADIO 4 (VHF) [...]
Radio 4 (VHF) for Schools—10.05 a.m. to 12.00 and 2.00 p.m. to 3.00.

Racing

St. Leger shock

by DARE WIGAN

WITH THIRTEEN runners, none of them of true classic calibre, it was on the cards that the St. Leger would provide a shock result; and sure enough it did so, with victory going to Peleid at odds of 28 to one. Although the triumph of this colt, by Derring-Do, whom Bill Elsey trains at Malton for Colonel W. E. Behrens, a Yorkshire landowner, may have been surprising (Peleid had no chance of beating the French-trained Valuta on a line taken through Bonne Noel), there was no semblance of a fluke about it.

After Buoy and Duke of Ragusa had had a ding-dong battle from the entrance to the long straight at Doncaster, Peleid, ridden by F. Durr, sailed past both of them in the final furlong to win by 2½ lengths from Buoy, who finished a neck ahead of Duke of Ragusa, with the fast-finishing King Levanstell fourth.

The Tote returns of only 15 to one against the winner, and less than three to one for a place suggested that many Yorkshire people were loyal to Peleid. The "experts" may, perhaps, be forgiven for doubting the ability of a colt by a top-class miler and a successful sire of fast horses staying 1¾ miles.

Turning to to-day's racing, there is an excellent programme at Goodwood where Piggott has several likely looking mounts, including *Press Luncheon*, who will be at short odds for the Bexley Stakes (2.30). This daughter of Be Friendly was heavily backed when sixth behind Polygamy on her first appearance, at Newmarket, in July, but improved considerably on that performance when winning at Doncaster last week. She has several useful animals to beat, including the recent winners, *Saxon Lodge* and *Track Specialist*, but I shall be surprised if she fails.

In the absence of *Scottish Rifle*, who has been withdrawn from the Valdo Stakes (3.30), I expect *Great Love* to defeat his six opponents. It was reported that this handsome colt had chipped a bone in a knee in the spring, but he showed that he was in good fettle when he easily defeated Virginia Green over 1¼ miles at Brighton the other day.

At Edinburgh, the principal race is the Gold Cup (3.30) which was won a year ago by Edward Hide on Tom Noddy. To-day, Hide partners *Hurry Round*, and though I expect this colt to run well I doubt his coping with *Peterloo* whose owner, Lord Rosebery, has a fine record on this course.

At Wolverhampton, two popular veterans, *Daniel* and *Morris Dancer*, meet in the Bloxwich Handicap (4.15), and my preference is for the eight-year-old *Daniel*, who was successful over course and distance earlier in the season.

GOODWOOD
2.30—Press Luncheon***
3.00—Rapid Rock
3.30—Great Love*
4.00—Humble Pickings
4.30—Balista

EDINBURGH
3.30—Peterloo**
4.00—Romany Robe
4.30—Pozzo

WOLVERHAMPTON
2.45—Fair Georgina
3.15—Catchfly
3.45—Showman's Fair
4.15—Daniel

Welsh Language Council 'not good enough'

LEADERS OF Plaid Cymru—the Welsh Nationalist Party—on Saturday criticised thep roposed Welsh Language Council and declared: "It's just not good enough."

Two hundred delegates representing Welsh organisations at a conference in Cardiff were told by Mr. Gwynfor Evans, president of Plaid Cymru, that the announcement of the new council had brought "great disappointment."

TV series wins high sales abroad

BLACK BEAUTY, the children's book by Anna [...] out of which a top au[...] winning series was crea[...] Independent Television b[...] sales totalling more [...] £500,000 in 30 countries [...] past 18 months.

The money was netted [...] original 26-part Adventu[...] Black Beauty series, ma[...] London Weekend Televisio[...] co-production with Freman[...] ternational, and screen[...] Britain last year.

The companies hope th[...] second Black Beauty [...] which starts on London W[...] next Sunday, will pull [...] same high sales.

The £500,000 plus is [...] profit. Both series have ea[...] about this figure to make. [...] London Weekend executiv[...] it meant the first series ha[...] for itself in a very short [...] which was exceptional.

Serious selling of the s[...] series will begin when it [...] transmission in this countr[...]

Mr. Tony Gruner, ass[...] producer of the series, [...] "Malta and Cyprus have al[...] said they want the second [...] and the Scandinavian cou[...] are also interested. But ma[...] the countries to which we [...] the the first series do [...] start screening it until [...] January."

Paganini and Gazzaniga

by WILLIAM WEAVER

The Siena music festival—the Settimana musicale senese—was, during the war years, founded by scholars and musicians; and it has remained an erudite, rather than touristic organisation. The programmes are obviously arranged with forethought, but with no catering to the distracted musical tripper. You come to Siena (and the Settimana has a regular and devoted audience) to be enlightened as well as entertained. As if to reassert this musicological foundation, the festival opens every year with speeches: official (and, I'm afraid, boring) discourses by sponsors and Government officials, followed by more learned, less boring talks concerned with the composers to be featured in the Settimana's week of music-making.

The learned speakers this year were Michelangelo Abbado, conservatory professor (father of the conductor Claudio), Paganini specialist, and Luigi Dallapiccola, who spoke—in a moved and moving fashion—of Arnold Schönberg, whom he knew and loved.

Then Siena put its preaching into practice. That same evening there was a concert largely *dedicated to Paganini, and it was* an eye-opener. *Of the* four Paganini works included, only one (the first violin concerto) was well known. Salvatore Accardo played it with admirable brilliance and intensity. But the other works aroused more excitement: a set of variations for violin and orchestra on the finale of Rossini's *Cenerentola*, "Non piu' mesta" (here Accardo, haltingly accompanied, played with less than his usual panache), a Sonata for viola and orchestra in D major, and—most fascinating of all—a piece called *Le Couvent Saint Bernard*, for male chorus, violin (Accardo once more) and orchestra. This was a kind of scena, as if Paganini had started writing an opera set in Alpine fastnesses, with the solo violin *playing the role of soprano*. Whatever made him write it, God only knows; it is not a work that is likely to be done often, but it is well worth hearing. Intelligently, programmed with it were the Overture and opening chorus of Cherubini's *Elisa* (subtitle: "ou le Mont Saint Bernard"), a rescue-opera set in the Alps, suggesting provocative similarities and differences with respect to the more romantic Paganini.

Dino Asciolla was the first-rate violist in the Sonata. The conductors were students from Maestro Franco Ferrari's master classes in the Accademia Chigiana. Several of them were were distinctly promising. The Americans Charles Darden (for the viola work) and Cal Stewart Kellogg (for the concerto and the *Couvent*) displayed sound rhythmic sense and secure control of their forces. In the Cherubini, the Italian Riccardo Chailly also showed genuine talent; he seems destined for opera conducting—where new blood is surely needed—and it will be interesting to follow his progress. The orchestra, also composed of young people, came from the Academy of Sofia. The winds were especially laudable.

Traditionally, Siena does a rare opera each year. This time it was Giuseppe Gazzaniga's *Don Giovanni*, given here with its subtitle, *Il convitato di pietra* (The stone guest), presumably to avoid understandable confusion. The work is not absolutely unknown (the Italian Radio did it some years ago, excellently, with Herbert Handt as the Don), but it counts as a rarity, nevertheless, and the revival was welcome. First heard in Venice in February, 1787 (Mozart's *Don Giovanni*, remember, had its premiere in Prague in October of that same year), the opera is —first of all—an excellent, sound piece of musical craftsmanship, with a good, often witty libretto by Giovanni Bertati (author of *Il matrimonio segreto*). Da Ponte was certainly familiar with the work, and did not hesitate to lift a few ideas from it.

The modern listener, familiar with Mozart's masterpiece, is naturally a bit disoriented at first. It is as if some Pirandello had shuffled all the cards and dealt them out wrong. Yes, there is a catalogue aria, but the list is different (and here it is said Giovanni has nothing to do with old women; Leporello tells us otherwise). Zerlina's name is Maturina, and she is a mezzo-soprano. The Don is a tenor, and far less important than his servant Pasquariello (Leporello), who sings the serenade—a winningly graceful piece—instead of his master. Donna Anna vanishes after the opening scene, but there is an added lady, Donna Ximena, who succumbs to the libertine's promises of marriage (and appears, to gloat with Elvira and Ottavio, after his downfall).

If you can carry out the necessary self-brainwashing—and it took me two hearings—you can enjoy the opera wholeheartedly on its own merits. The serenade, as I suggested, is charming. Maturina sings a lovely, minor Tarantella, somewhat melancholy for a girl on her betrothal day; but then she shows her mettle in a spirited insult-duet with Elvira (reminiscent, of course, of the Susanna-Marcellina duet in *Figaro*). Elvira, less of a tormented virago than Da Ponte's, has a beautiful aria towards the end, when, having mastered her hopeless passion, she sings of her resignation and, at the same time, urges her faithless lover to repent and mend his ways.

Finally, this Siena revival of Gazzaniga's *Don Giovanni* afforded us the opportunity of comparing the work of a genius with the work of a gifted, serious craftsman. Geniuses, after all, are few; and, indeed, so are serious craftsmen. They are to be respected and, in this case, thoroughly enjoyed.

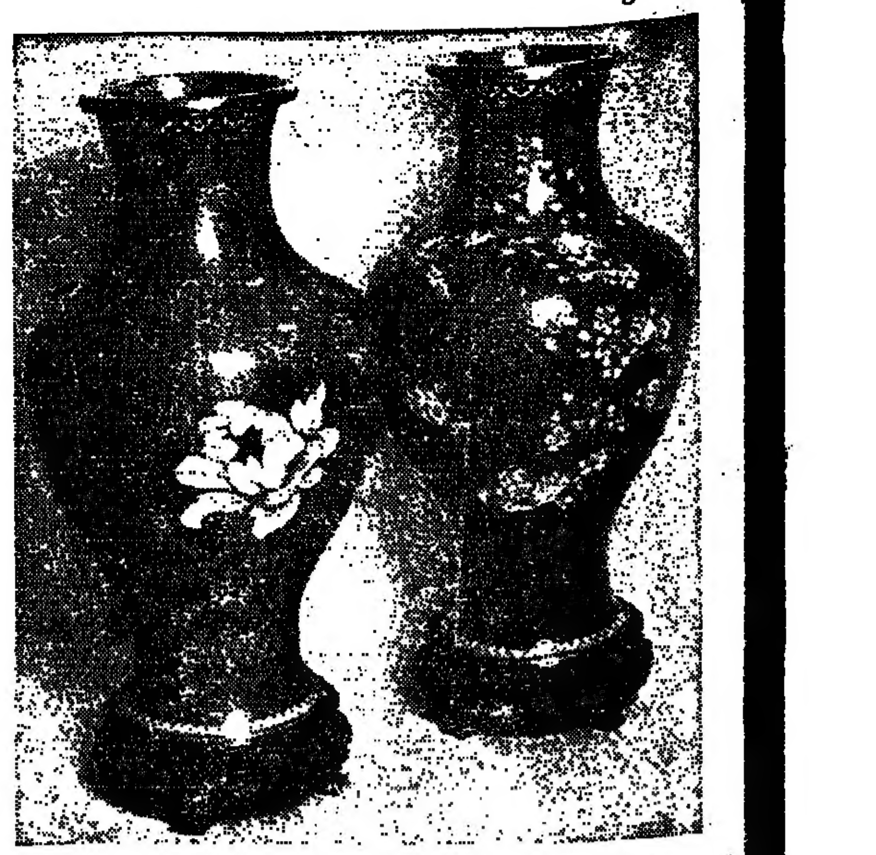
The young cast was headed by the baritone Claudio Desderi (Pasquariello), an artist of conspicuous talent. The voice is warm and beautiful; he is at ease on the stage; and his enunciation (in this, he was alone in the cast) crystal clear. At times, his own bravura, abetted by the producer, led him to overdo the clowning: but it was an enthusiastic, engaging interpretation. The tenor Don was Franz Xavier Lucas; his recitative was largely incomprehensible and delivered in a uniform, gasping style, but when he sang, he sang sensitively. He also looks well on the stage, and with greater experience he will no doubt learn to move more easily. Among the women, Luisella Zampieri (despite unattractive make-up) was a musical Maturina, and Carmen Lavani, a Donna Elvira of authority.

The producer Luciano Alberti and the designer Mino Maccari obviously wanted to underline the opera's commedia dell'arte ancestry, so there were attitudes out of Goldoni and a kind of naif buffoonery. This approach is historically correct and, often, it solved problems; but the more dramatic scenes — Giovanni's invitation to the statue and, later, the statue's arrival in his house—lost some of their bite as a result. Still, the staging illustrated how thought and musical knowledge can compensate for a low budget. Later this season the production, under the auspices of Milan's Piccola Scala, will be seen in the province of Milan.

The Bulgarian orchestra played accurately and cogently for Piero Bellugi, on opening night, and for Angelo Campori (a young member of the Chigiana staff) at the second performance.

The Settimana senese also featured Gluck. I will write about those concerts, and others here, in a second report.

The Entertainment Guide is on Page 33



Above, a pair of ginger jars, and right, a pair of cloisonné vases, from the display of Chinese pieces and "chinoiserie" which Harrods is to mount next week on their ground floor in tribute to the Chinese Exhibition opening at the Royal Academy on September 29.

Albert Hall

The Rio Grande

by RONALD CRICHTON

The last Prom on Saturday was, as usual, a success. The conductor was Norman Del Mar, beaming and flailing his way through the ordeal, and an ordeal it must be, with crowd management needed as much as musicianship. Mr. Del Mar's speech at the end had an undercurrent of sadness, for this was the final concert of the last season designed by the recently retired controller of BBC music, Sir William Glock. What Glock and his colleagues have done to revivify the Proms and make them into a popular festival of unrivalled variety and scope is now history, and there is a danger *already of taking the* achievement for granted. Concertgoers not concerned with administration may wonder why there is so much fuss about a man they never see on the platform, but they will realise one day what they owe him—so will the great outside audiences who can hear all the Proms on Radio 3 and watch some of them on TV.

It was generous to bow out with an all-British evening of a type that may not lie especially close to Glock's personal taste. Intentionally or not, the programme worked out as a kind of tribute to the Royal Ballet and the company out of which that organisation grew. Two of the works from which excerpts were played, Bliss's *Checkmate* and Britten's *Prince of the Pagodas*, were written for the ballet; Walton's *Façade* and Lambert's *Rio Grande* were pressed into service as ballet scores. The main interest lay in *The Rio Grande* (not heard at the Proms for 12 years), whose reappearance crystallised renewed curiosity about Constant Lambert and the pre-war period in which he was such a brilliant figure.

In this starry-eyed fantasy, Lambert pours Liszt, Delius, Latin-American habaneras and Negro jazz through his own sensibility, taming high spirits with, for so young a composer, acute judgment of pace and mood. Any suspicion that beneath the exotic trappings this might be just another leaf of the English choral tradition is side-stepped by giving the leading role to the piano. John Bingham's playing of the solo part had exactly the incisive bravura for the big accompanied cadenza in the middle of the work as well as the singing quality for the quiet episodes. The BBC Singers (how much and how well they have sung this season) showed the same virtues, but it was a mistake to have Bernadette Greevy at the front, flooding the arena with the alto solo, not at the back with the chorus. The score woke up from its rest clear and sharp. It may not bear unlimited repetition, but it should not be allowed to go out of circulation again.

A small crack choir is as wrong for *Toward the Unknown Region* as it is right for *The Rio Grande*. Unlike Lambert, Vaughan Williams was neither precocious nor brilliant. Even with Mr. Del Mar spurring his forces on with the sweeping gestures of windmills assailing Don Quixote, this early piece (1907) wilted without the choral tone to fill out its earnest periods or to cover the homespun orchestration. Bliss has added one number to his concert suite from *Checkmate*. With respect, may one suggest that if the Red Pawns go in, the Four Knights should come out? Or perhaps the impression of the powerful finale being too long delayed had something to do with the excess of short pieces in the programme. Excluding one-movement works, but counting the separate sections of the *Fantasia on British Sea-songs*, there were no less than 31. Too many, even for a celebration Saturday.

Henry Wood's *Fantasia* was restored to its original form—it was written for a Trafalgar Day centenary concert in 1905. How artful of him to slip in the not noticeably naval "Home, sweet home" just before "See, the conquering Hero," and how effective the audience's quiet humming of the tune. The programme-note might have given the names of the composers of the non-traditional airs — not even Handel got in, let alone Bishop. Another harking-back was the Elgar arrangement of "God save the Queen" complete with solo quartet. The rituals were *cheerfully performed*. Mr. Del Mar and the orchestra creditably kept enough of their cool to give some agreeably suave playing in the later numbers of *Façade*

Albert Hall

The Ninth

by GILLIAN WIDDICOMBE

It is part of Prom law that the last night but one includes Beethoven's Ninth Symphony: and part of Prom lore that the performance is a screaming success, no matter who does what with it. This year the magic baton, immune from the usual Ninth rules of angels and fools, was handed to Daniel Barenboim.

The performance was less wayward than I had expected, often suggesting Barenboim has settled down to accept that tempos which work for other people can work for him too. He still does some odd things, naturally. The most frequent is *to rush more quickly through a* repeat, and accelerate towards a climax; but there is room for this kind of pressure in a work like the Ninth, for the alternative of a strictly plodding tempo can seem flaccid and boring.

But his habitual ritenutos I still find unconvincing, with a large orchestra; and last Friday the BBC Symphony seemed not always certain of what was coming. Another technical problem was also obvious, for some untidy climaxes were apparently caused by a gesture which needs rethinking. Stabbing the orchestra horizontally at the big moment may be a natural gesture, but is it a downbeat?

The good things were in the first and third movements, taken straightforwardly and affectionately. The scherzo was disappointing, if one likes it wicked and brittle, for the timpani was bashed somewhat balefully, and rhythms were not always emphatic. Clearly Barenboim had spent most thought on the finale, and rightly, for this was his most exaggerated reading. Having taken the first cello and bass recitatives strictly, he made the later ones looser. That, surely, lacks logic: either you follow the "in tempo" marking for each recitative, or you abandon it altogether. But the beginning of the Allegro assai, when the true theme is *found*, was effective, taken very quietly and phrased as gently as fondling sugar.

Heather Harper, Birgila Finnilä, Robert Tear and Marius Rintzler were the soloists, and received a rough ride, with insufficient scope for breathing and some galloping phrases. But the BBC Singers and BBC Choral Society sang strongly, with fairly pleasant tone.

The sublime was anticipated by the intimate. Pierre Fournier and Jean Fonda played the two late Beethoven cello sonatas, Op 102. From my seat, a mere 150 feet to the NNE of M. Fournier, they seemed to go agreeably if not excitingly; but a foot in that hall sounds a mile to the ear, and even the D major sonata, profound and vigorous, seemed unreal, strangely filtered.

Crystal Palace

James Taylor/Lou Reed

by ANTONY THORNCROFT

Try to dress up an open air pop concert with the grand title of Garden Party and what do you get? Of course you get a rainstorm. And very well-timed it was, too, at Saturday's marathon concert in the hollow at Crystal Palace. The heavy drops of rain and the long white flashes of lightning coincided with dusk and the arrival on stage of James Taylor, the morbid American who recently jollied up his image considerably by marrying Carly Simon.

Taylor's gentle melancholic songs came over just right, pathetic but brave, as he crouched his long body over a guitar and stared sadly into the green, red, and mauve spotlights while the many thousands banked up high around him got wet, depressed, but nicely cleansed in the gloom. This was the end of the hot pop summer, the end of a hard day of music, the end of the holidays.

James Taylor is ideal for climacteric occasions. He even has the perfect song "Fire and Rain" which he slipped in, to ironic applause, when the storm *really broke, and even though* most of his compositions have the same downbeat morbidity which rises through the body like cold damp at least the melody is sweet.

However I suppose if there was going to be an elemental bang to end the concert it should have accompanied the other big American name on the bill, Lou Reed. Reed is the complete antithesis to Taylor. He is loud, outrageous, threatening, so decadent that his camp follower David Bowie seems like a cuddly toy in comparison. Reed was in at the start of Velvet Underground, the group launched by Andy Warhol in the New York sixties as the musical expression of the hip culture. *Since the success of his appropriately named* "Walk on the Wild Side" Reed has been a cult figure over here.

He comes on all in black leather with his face painted white and outlined with black make up to sneer through his *best song "Sweet Jane." Then* he whips the guitarists with the microphone cord, hammers he mouthpiece on the amplifiers, and tosses the stand to the floor. But there is a world weariness about the act which makes it more sinister than violent. Reed throws away his songs in a monotone and never cracks his demonic image.

The crowd loved it, many of them wading across the 40 yards of water that separates the stage from the audience at Crystal Palace. They stood waist deep in the cold stinking water shaking and shivering while Reed acknowledged their devotion by crouching down reciting his escapist version of the alternative society in his *measured coolness. Then he was* up and shaking his hips at the rest of the band. All in all a powerful performance and a fine introduction to autumn.

Permanent company for Cambridge

A permanent group of young actors has been assembled for the Cambridge Theatre Company's fourth season, playing both leading and supporting parts over a period of seven months in a repertoire of six plays.

Richard Cottrell, the company's artistic director, will direct the British premiere of *Ionesco's "Jeux de Massacre"* in his own translation *Aunt Sally or the Triumph of Death*, with music by Bob Downes. He also directs: *Twelfth Night*, with music by John Addison; the company's first pantomime, John Moffatt's version of *Jack and the Beanstalk*; and Rattigan's *French Without Tears*.

Treble for William Douglas Home

Lloyd George Knew My Father, with Andrew Cruickshank, Avice Landon and Jack Watling in the leading roles, will transfer from the Savoy Theatre to the St. Martin's on Monday, October 1, thus continuing the play's unbroken run of over 450 performances. The current play at the St. Martin's, *Say Goodnight To Grandma*, will end its run there on September 29. It is due to be produced on Broadway early next year.

Opening at the Savoy Theatre on October 3 is a new comedy, *At the End of the Day*, starring John Mills, Dulcie Gray and Michael Denison. It is the third play in a row by William Douglas Home at the Savoy.

London Sinfonietta provincial tour

The London Sinfonietta is to make an ambitious tour in October and November in which they will play all the instrumental and chamber works of Arnold *Schönberg and Roberto Gerhard*. They will visit Carlisle, Dartington, Guildford, Lancaster, Southampton, Manchester, Bristol, Birmingham, Newcastle, Hull, Bradford and Bangor; and besides this, the Schönberg works will be recorded by Decca for issue in 1974, the centenary year of the composer's birth.

At the end of this series, David Atherton, who founded the Sinfonietta in 1968, will resign as its musical director to meet the demands made on him by orchestras and opera houses. The new artistic director will be Michael Vyner.

Sherman Theatre opens in Cardiff

This week marks the opening in Cardiff of the Sherman Theatre. It has cost about £¾m. and is largely a gift from the Sherman Foundation, set up by the Sherman brothers, the former football pool promoters. The Welsh Drama Company will open the theatre with Gogol's *The Government Inspector*.

Paris' arts calendar

by MICHAEL PEPPIATT

While the big summer exhibitions are virtually all at an end now, the Ministry for Cultural Affairs here has announced a varied and promising programme for the autumn and for the year ahead.

The first of the new shows is a tribute to the Cubist movement at the Musée d'art moderne de la ville, beginning on September 25. Clearly linked to this is the Georges Braque retrospective which will begin at the Orangerie on October 17 to mark the tenth anniversary of the painter's death.

The Centre national d'art contemporain (CNAC) will be opening its season with the Dubuffet exhibition that was shown at the Guggenheim from April to July this year. Side by side with this, at the Grand Palais, Dubuffet's "ballet," *Coucou Bazar*, will be put on as part of the forthcoming Festival d'Automne from November 2 to November 29.

The Louvre and the Metropolitan of New York agreed on a policy of special exchanges and closer co-operation earlier this year. The first fruit of the agreement will be 100 French drawings from the Met's collection. They cover over a century, from David's *Death of Socrates* of 1787 to the portrait of the dealer Ambroise Vollard which Picasso drew in 1915. Ingres, Delacroix, Degas and Seurat will also be well represented in this prestigious loan. Another result of this new policy will be an exhibition of tapestry bringing together the Cloisters' famous *La Chasse à la Licorne* with *La Dame à la Licorne*, the centrepiece of the Musée Cluny here (both exhibitions from October 27 to January 7).

Although a number of Futurist group-members have been given retrospectives in Paris, the movement as a whole will be having its first exhibition here at the Musé national d'art moderne as from September 19. The choice of works will be different from those shown in London, with the notable inclusion of some unpublished documents from the archives of the poet and art critic Guillaume Apollinaire.

Until October 21, the 8th Paris Biennial is being held at the Musée d'art moderne de la ville. A hundred artists of various nationalities, all of them under 35, were invited to show their work this year.

Of the exhibitions planned for the coming year, a number are of quite exceptional interest—even if rather too exclusively concerned with French achievements. The Grand Palais' list is particularly impressive. After an exhibition organised round the influential critic Jean Paulhan, called "Jean Paulhan à travers ses peintres," it will be putting on a show of Le Valentin and the French Caravaggists, another inspired by the "Dream of Ossian," a tribute to Miró, a re-creation of the Musée du Luxembourg (once Paris' modern art museum) as it looked in 1874, an exhibition devoted to Impressionism (in the autumn), and another to French painting from David to Delacroix.

Among many other projects, it would be worth signalling three at the Orangerie: a Juan Gris retrospective; all the Cézannes in the *French museums'* collections; and the Peggy Guggenheim collection. At the same time, the Musée national d'art moderne will be having large shows of Richard Lindner and Munch.

*

This year's Festival d'automne, which is just about to open, has a number of promising events on its calendar. Maurice Béjart will be here with his *Ballet du 20e siècle* and his version of *La traviata*. Jorge Lavelli will be directing a new play by the writer and cartoonist Copi: *Les Quatre Jumelles*. The TSE, the Argentine group whose excellent *Comédie policière* and intriguing *Futura* were reviewed here, will be putting on an elegant parody called *Luxe*. The Sainte-Chapelle will be host to Grotowski's *Apocalypsis cum Figuris*, while at the other end of the dramatic scale there will be a little-known Marivaux, *La Dispute*, directed by Patrice Chéreau, co-director of the Théâtre National Populaire.

Two American directors will be taking part. Andrei Serban, whose *Medea* drew enthusiastic crowds last November, will be at the Théâtre Récamier with an *Electra*: at the same theatre Richard Foreman's *A Week under the Influence of* will be put on for the first time in Europe. With luck, this will prove the liveliest season in the arts as a whole that Paris has seen for years.

The Festival of British Theatre

Don't look for the Festival of British Theatre in some lavish *festival centre. The Festival* is not located anywhere, because it is located everywhere.

The Festival is simply an arbitrary period—September 17 to October 13—during which all the theatres in the kingdom, from Aberystwyth to York, will make a special effort to enlist the patronage of the public. They are not doing this because they feel that the public has a duty to support its local theatre, but because they feel that the theatre has something to offer the public in terms of enjoyment.

To print a list of what is going on at the 120 or so theatres involved would be wasteful, as the object of the Festival is for each house to put out its own information, and so cement its relationship with its neighbourhood.

B.A.Y.

SPORT: SOCCER

Efficient Leeds achieve seventh successive win

By TREVOR BAILEY

LEEDS UNITED achieved their seventh successive victory of the season on Saturday, when they beat Southampton 2—1 at the Dell, without undue difficulty. It was an efficient, rather than an exhilarating performance, in which they failed to press home fully their obvious superiority over rather ordinary opposition. It was tantamount to Muhammad Ali in his prime being taken the distance by a run-of-the-mill heavyweight.

There were moments of brilliance—a darting run by Clarke, a 35-yard crossfield drive from Hunter, and the move in which they strung together 17 consecutive passes. They looked highly *competent as distinct from outstanding*, yet, clearly, on this form they have an excellent chance of further honours.

In many respects the most satisfying feature was the self-control of the Leeds players, who accepted the over-robust tackle and the bad decision with admirable calm. I thought this veneer of civilisation might crack when Gray was scythed down at knee level in the second half, but it was accepted without vigorous protests or retaliation. They went on playing football and, perhaps most important, appeared to be enjoying it.

Leeds were without the inspiration of Giles, who has been in tremendous form, and Lorimer, who scored a hat-trick last week. [illegible] both were missed. A [illegible] rusty Reaney [illegible] back, the all-purpose Madeley moved into the middle of them [illegible] back line, and Jordan, a [illegible] forceful striker, joined Clarke [illegible] Jones up front. This led to [illegible]. Madeley, a great [illegible] workman, is a [illegible] might have been unable to pierce a better defensive system than Southampton's.

In the course of the match they were victims of the offside trap 16 times, but on four of them, two of which could well have resulted in goals, they were unlucky, because their man running off the ball was onside at the moment when the pass was actually made.

After a fairly mundane opening, Leeds gradually assumed control and it was no surprise when they took the lead in the 31st minute. An intricate move mesmerised their opponents and the ball was half-cleared to Gray on the left wing. His precision chip was volleyed by Clarke into the back of the net.

Southampton, who in the first half had been so busy keeping their opponents at bay that they had seldom shown any serious threat, came back after the interval. The promising Talkes forced Harvey to save well with a powerful shot after a fine run from near the halfway line, and shortly afterwards the goalkeeper brought off an even better save to stop a glorious shot by O'Neil that deserved a goal. O'Neil had an excellent match.

The match was settled by Clarke, a certainty for England on this form, when he scored his second goal. Bremner broke clear down the left wing to receive a perfectly placed long pass from Gray. His well-flighted cross found Clarke, surging up in support and unmarked, and this deadly executioner did the rest.

In the closing minutes the home side reduced the deficit with a lucky goal, when O'Neil struck out a tentative boot and saw the ball loop over Harvey's head into the net.

Southampton were handicapped by the absence of Channon and Steele. They reverted to a basic 4-4-2 line-up, with Paine, usually slightly ahead of the other three of their midfield quartet. This meant that although they gained rather more possession in the centre of the pitch than they might have expected, Gilchrist and Stokes had *to take on one of* the best organised defences in the business and, hardly surprisingly, made little impression.

Before the match I had a talk with a plainly happy Don Revie, who must now be delighted he resisted the temptation to leave. He positively purred at the way Giles has been performing, and is rightly pleased at the progress made by his young centre-half, McQueen.

McQueen lacks experience, but is fortunate to have the dependable Hunter at his side. He has already done remarkably well against some of the best strikers in the game this season.

Cheering news was that Cooper, one of the truly great attacking full-backs, has resumed training.

If 1973-74 should prove an outstanding season for Leeds much will be due to the influence of Don Revie. He has successfully revitalised a side which despite the many triumphs of the past, has also had to contend with more setbacks than other clubs.

More Sport Page 10

RUGBY UNION

Fijians well beaten

BY PETER ROBBINS

NO VISITING rugby side is more welcome than the Fijians, and Swansea showed commendable shrewdness in inviting them here in this their centenary year.

In rugby terms things have not gone quite as planned: Swansea [illegible] co-operatively and lost: [illegible] both Leicester and Leinster [illegible] their own di[illegible] basic and well-di[illegible].

On Saturday in Dublin Leinster won comfortably by 30—[illegible] and played well against a rather [illegible] side. By the end of the game Leinster was running [illegible] from anywhere and Grace secured two tries in the final minute.

The first on the right with a clever kick ahead and his second on the left taking Quinn's pass from his break. With Ensor converting the second try the score zoomed smartly to 30.

The Fijians tried desperately to entertain and succeeded in part, but insouciance, like a spontaneous speech, needs careful preparation and experience. Fiji's poor rucking and mauling deprived them of the most vital source of possession. Tuisese alone tapped well at the line-out but in the tight scrum Quoro and Ratudina were too eager to break away to join in the festivities.

Fiji's best attacks came when Visei came into the line, too infrequently, possibly because of his heavy defensive commitments that he carried out perfectly. Being forced to defend for so long, Fiji had to attack from deep in their half and frequently they passed poorly, so Slatery and Duggan were quickly on to the loose ball.

Tuisese and Samuels covered wonderfully. The outstanding Fijian moment came in the second half when Visei intercepted 15 yards from his line and set off down field. Maloney followed him like some guided missile and dealt conclusively with the interceptor five yards *short of the Leinster line*.

Tikoisuva the left wing unfortunately over-ran the ball twice and dropped it twice in good scoring positions. Not so Varo the right wing, and Leinster exploited this weak flank cleverly. Varo had no real answer to Becker's pace and experienced an uncomfortable afternoon.

The forward discipline, with Lynch, Slattery and Duggan as the core, gave Maloney a much easier ride than Batibasaga. Maloney, deceptively fast, brought the necessary finesse and variety to Leinster's game. His partner Quinn served his backs eagerly and found a ready ally in Doherty.

Taking too long to settle, the Fijians were soon behind when Ensor kicked a penalty for obstruction. Lobendahn was close with a drop before Batibasaga levelled the score.

Ensor soon landed his second penalty, Quinn dropped a goal, and 10 minutes before half-time Ensor came outside Becker on the left diverting the Fijian defence sufficiently to leave the wing clear.

Needing a score desperately there was a brief flicker of typical Fijian football but Leinster held out for a 13—3 half-time lead.

Doherty scored soon after the restart, from an abortive drop-kick from Quinn and the resulting confusion between the Fijians. With this comfortable lead Leinster might have dropped their guard to run the penalty kicks, but Lynch had other and more mundane ideas.

Ensor added a third penalty before Quoro scored a try after thrilling running by Visei, Tikoisuva and Namadila Batibasaga converted but with Fiji now clearly exhausted Grace added his final tries.

Businessman's Diary

Marketing at Brighton

THE Institute of Marketing, the British Industrial Marketing Association and the Institute of Export are all running seminars during the Marketing Exhibition '73 to be held at the Hotel Metropole, Brighton, from November 1-4.

The subject matters include "What's new in consumer marketing," "What's new in industrial marketing," and a one-day seminar entitled "International marketing—not a job for amateurs," will be chaired by Mr. Arthur Day, director-general of the Institute of Export.

Stopping fires at Harrogate

EVERY company is susceptible to fire so every company should be interested in the Fire Fighting and Prevention Exhibition at Harrogate from September 18-20. It coincides with the annual conferences of the Chief Fire Officers' Association and the Institute of Fire Engineers.

On show will be one of the largest collections of fire fighting prevention and detection equipment ever mounted in the U.K. Over 130 companies will be displaying their products and services both indoors and outside.

The emphasis this year will be placed upon fire prevention and the security and safety aspects of hotels, boarding houses, factory and office premises and public buildings.

Developing the oceans

INTEROCEAN '73, the second international congress and exhibition for marine research and exploitation will be held in Dusseldorf from November 13-18. More than a hundred firms from all over Europe and the U.S. will be exhibiting.

The highlights of the exhibition will be the latest developments in marine research and technology, in the methods of extracting and processing natural products from the sea, including crude minerals, controlling pollution, and desalination, among others.

There will also be a conference aspect covering these topics, and the whole enterprise is designed to promote oceanic research and exploitation and to broaden the market outlets of the companies involved in marine development.

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Chelsea Antiques Fair (cl. Sept. 22)	Old Town Hall, Chelsea
To-day	Assembly and Fastener Exhibition (cl. Sept. 21)	Earls Court
To-day	Labware Exhibition (cl. Sept. 21)	Bloomsbury Centre, W.C.1
Sept. 18—22	Wood Technik Intnl. '73	Earls Court
Sept. 25—27	Electronic Instruments Exhibition	Esso Motor Hotel, Bristol
Sept. 25—28	Street Lighting Exbn. and Conference	Spa, Scarborough
Sept. 25—28	Intnl. Filtration and Separation Exhibition	Olympia
Sept. 25—28	Dust Control and Air-Cleaning Exhibition	Olympia
Sept. 30—Oct. 3	Footwear for Spring Exhibition	Mount Royal Hotel, W.1
Oct. 2—4	Meanswear Exhibition and Convention	Exhibition Centre, Harrogate
Oct. 2—11	Business Efficiency Exhibition	Olympia
Oct. 3—5	Midlands Ind. and Commercial Exhibition	Grand Hotel, Birmingham
Oct. 3—20	Modern Homes Exhibition	Kelvin Hall, Glasgow
Oct. 8—12	Screen Printing and P O S Exhibition	Olympia
Oct. 9—11	Housing and Town Planning Exhibition	Spa, Scarborough
Oct. 15—17	Homes Overseas Exhibition	Midland Hotel, Manchester
Oct. 17—20	Antiques Fair	Cutlers Hall, Sheffield
Oct. 17—27	International Motor Show	Earls Court
Oct. 18—20	Management Services Exbn. and Conference	Exhibition Hall, Harrogate
Oct. 21—25	Domestic and Com. Textiles Exhibition	Olympia
Oct. 22—28	International Audio Fair	Olympia
Oct. 23—25	Highland Trade Fair	Aviemore Centre

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Fair (cl. Sept. 20)	Izmir, Turkey
Current	International Trade Fair (cl. Sept. 23)	Ghent
Current	International Commercial Fair (cl. Sept. 23)	Liege
Current	International Motor Show (cl. Sept. 23)	Frankfurt
Current	Children's Fashion Exhibition (cl. Sept. 18)	Paris
Sept. 18—27	International Machine Tool Exhibition	Hanover
Sept. 19—27	Welding and Cutting Exhibition	Essen
Sept. 19—28	Intnl. Data Processing Comm. and Office Org. Exbn.	Paris
Sept. 21—23	Ready Made Garments Fair	Bombay
Sept. 22—27	Intnl. Exbn. of Fine Foods and Provisions	Cologne
Sept. 22—27	International Furniture Fair	Milan
Sept. 28—30	International Consumer Goods Fair	Poznan
Sept. 28—Oct. 3	Videocassette Conference and Exhibition	Cannes
Oct. 1—5	Food Processing, Packaging and Distribution	Johannesburg
Oct. 1—7	Electronics Exhibition	Osaka, Japan
Oct. 3—6	Factory Safety and Hygiene Exhibition	Dusseldorf
Oct. 3—7	Storage, Handling, Distribution Exhibition	Padua, Italy
Oct. 4—14	Motor, Cycle and Sport Exhibition	Paris
Oct. 5—11	International Aerospace Show	Iruma, Japan
Oct. 8—13	British Marine Equipment Exhibition	Tokyo
Oct. 8—14	Food Processing Machinery Exhibition	Milan
Oct. 9—11	Hardware and Household Goods Exhibition	Dublin
Oct. 11—22	Hotel Equipment Exhibition	Paris
Oct. 11—17	International Packaging Exhibition	Gothenburg
Oct. 12—21	International Food Fair	Copenhagen
Oct. 13—15	Souvenirs and Advertising Gifts Exhibition	Salzburg
Oct. 14—21	Trade and Tourism Equipment Exhibition	Milan
Oct. 18—25	British Industrial Technology Exhibition	Bilbao
Oct. 20—25	Women's Ready-to-Wear Exhibition	Paris

BUSINESS AND MANAGEMENT CONFERENCES

To-day	Glacier Inst.: Learning to Manage (cl. Sept. 21)	Ruislip
Sept. 18—20	Financial Times and BOAC World Energy Supplies	Grosvenor House, W.1
Sept. 24—27	HTS Management: Occupational Testing	High Wycombe
Sept. 25—26	Financial Times: Agreements between Companies in the EEC	Hilton Hotel, W.1
Sept. 25—27	Urwick Management: Finance in Construction	Slough, Bucks.
Sept. 27	Management Games Seminar	Coburg Hotel, W.2
Oct. 1—2	Contractors' Plant Association: Plant Hire	Grosvenor House, W.1
Oct. 2—3	Assoc. Business Programmes: Marketing Seminar	Kensington Close Hotel, W.8
Oct. 8—12	Dunchurch College: Management Skills	Dunchurch, Rugby
Oct. 9—10	Financial Times: European Motor Industry	Royal Lancaster Hotel, W.2
Oct. 10—12	Marketing Improvements: Managing a Sales Force	Portman Hotel, W.1
Oct. 11—Dec. 13	Fin. Times and City University: FT-City Course	City University, E.C.2
Oct. 15—19	Computer Power: Systems Management	Cannock, Staffs.
Oct. 15—26	Mitchell Partners: Method Study	Beeston, Notts.
Oct. 16	Ldn. Chmbr. of Comrc.: Angola and Mozambique	69, Cannon Street, E.C.4
Oct. 16—17	Marketing Improvements: Practical Pricing	Portman Hotel, W.1
Oct. 16—17	Fin. Times and Professional Administration: Managing the Company's Money	Royal Lancaster Hotel, W.2
Oct. 16—19	Computer Power: Decision Tables	Cannock, Staffs.
Oct. 18	James Morrell: Forecasts for EEC '73-'78	Carlton Tower Hotel, S.W.1
Oct. 18	Bus. and Ind. Training: Cost of Noise	Cafe Royal, W.1

Big new shopping centre for Paris

By José Manser

THE £22m. Centre Commerciale Main-Montparnasse, Paris, has opened the doors of its 80 shops and two large stores (Galeries Lafayette and C and A) to the public.

Built on the site of the old Gare Montparnasse it is part of a commercial development which includes the controversial Tour Montparnasse. This is the 210-metre-high office block which has aroused much comment from Parisians.

With shop windows giving on to massive concrete colonnades all round the outside and carpeted interior plazas, the Centre Commerciale has all the mildly-vulgar luxurious quality which our own shopping centres lack, and which has been so successful in France.

British concerns participating include: Burton, of London; Etam, and the ubiquitous Terence Conran with his first Habitat Europe operation. Like all the shops in the centre, Habitat rent is based on the French method of "credit-bail," which is the property equivalent of hire purchase. The shops pay £3.75 per square foot, 30 per cent. of this being geared to the French Government's Index INSEE, and at the end of 20 years the trading space is theirs.

The new commercial centre has yet to prove itself, but as it is within a stone's throw of the new Gare Montparnasse which serves the prosperous western suburbs of Paris, and in the heart of a busy commercial and residential area, traders who are in at the beginning are almost certainly backing a winner.

ROAD SAFETY CONGRESS NEXT WEEK IN LONDON

More than 900 delegates from all over the country will attend this year's National Road Safety Congress which is being held at Queen Elizabeth Hall, South Bank, London from September 25-27 and organised by the Royal Society for the Prevention of Accidents.

Sir George Scott, deputy president of RoSPA will open the congress and on the first day there will be an address by Mr. P. J. Hills, assistant director of the Research Institute of Transport Studies, Leeds University. Later speakers representing the road safety divisions of the Department of the Environment and the Transport and Road Research Laboratory are due to speak. The second day will include police speakers on accident investigation.

Marconi wins major share in Australian TV orders

BY JAMES McDONALD

AMALGAMATED Wireless (Australasia) — acting on behalf of Marconi Communications Systems, part of the GEC-Marconi Electronics group—has won the major share of the first batch of orders placed by broadcasting companies for colour television equipment for Australia's colour service. Transmissions are due to start in April, 1975.

After the first orders, Marconi will be supplying equipment worth over $A4m. This includes more than 40 Mark VIII automatic colour cameras, three outside broadcast vehicles, two of the new advanced integral telecine units, and a quantity of other studio equipment, with bulk orders for monosync pulse distribution equipment, synchronising pulse generating equipment, vision distribution and line clamp amplifiers.

The orders were won by Marconi against European, Japanese and North American competition, and follow demonstrations and evaluation of equipment to engineers in Australia and at Marconi's headquarters in Chelmsford.

Sales of the Mark VIII automatic colour camera now total over 150. In addition to Australia and the U.K., they are in use in north and south America, China, east and west Europe, and the Middle East. The company claims it is the most advanced colour camera in the world, and the only one to be automated in all the technical areas.

GEC-Marconi Electronics has also announced that the U.S. Navy is buying British systems capable of overcoming the "Donald Duck" effect which oxy-helium has on deep-sea divers' speech. The systems—worth £23,000 with spares—were developed for the Royal Navy by Marconi Space and Defence Systems from Admiralty research laboratories' designs.

The "Donald Duck" effect results from divers having to breathe oxy-helium mixtures at depths of over 600 feet where air cannot be used safely. The mixture—less dense than air—produces changes in the speed of sound and in voice pitch. The pitch rises to a point where it becomes completely unintelligible.

The Marconi system is being evaluated, with favourable results, in a series of medic research dives down to 1,000 fe by the Smithsonian Institute the U.S. It operates on a "tin stretching" principle, where eac sound is analysed digitally ar the significant portion, typical about one-third, is reconstructe at a slower rate, while the re is rejected. This has the effe of lowering the frequency about one-third of the transmitt value, creating full intelligibili

GEC-Marconi has al announced that sea trials ha been completed on a new sh to-submarine underwater te phone system. This is bei developed by Marconi Commu cation Systems to give the Ro Navy an improved underwa voice communication syste Better transmission quality longer ranges is the primary a and the equipment will ev tually replace current und water telephones in all RN sh and submarines.

Improvements in the ra and intelligibility of ship submarine communication h become more important as co-operation of multi-ling NATO navies in multi-natio exercises has increased, and new Marconi system, the c pany claims, will make standard equipment internati ally available.

Justinian is on Page 8

NUT leader accused of Mrs. Thatcher 'vendetta'

A "PERSONAL vendetta" by Mr. Max Morris, outgoing president of the National Union of Teachers, against Mrs. Margaret Thatcher, the Education Secretary, "is neither in the best interests of education nor of teachers themselves," said Mrs. Thatcher's Joint Parliamentary Under-Secretary, Mr. Norman St. John-Stevas, yesterday.

The "season for bashing Education Ministers" had got off to a good start with Mr. Morris's "tirade" at the Trades Union Congress, he said.

"This is the sort of rodomontade which one has come to expect from Mr. Roy Hattersley, the official Opposition spokesman on education, who cares more for politics than the future of our children, but is entirely inappropriate coming from the president of Britain's largest teachers' union," he told a Federation of Conservative Students conference at Swinton College, Yorks.

Teachers were fair-minded people and the overwhelming majority would strongly condemn the "personal abuse" to which the NUT president had descended.

Whether one agreed or disagreed with Mrs. Thatcher's policies, one had to recognise that she was a dedicated, courageous and resilient woman, doing her best for the education service.

"I hope Mr. Morris will try to be more rational and moderate in his future contributions to the national debate on education," said Mr. St. John-Stevas.

Since July 1970 Mrs. Thatcher had approved 3,200 proposals affecting secondary schools and rejected 325, a rejection rate of about 9 per cent. Not all these changes necessarily involved going comprehensive.

Since January the rejection rate had risen, but this was because of the nature and number of schemes put forward. Many proposals were against the best interests of the pupils, and Mrs. Thatcher had a duty to reject them, said Mr. St. John-Stevas.

The imposition for doctrinaire reasons of a uniform type of education throughout an area without adequate planning or consultation could remove the element of parental choice which was essential to a free society.

More London schools hit by staff shortage

PUPILS AT another seven sch in the inner London area will put on part-time schooling week.

Nine schools have already to cut lessons because of an a staff shortage.

"In drawing up the rev time-tables we will try to pro those pupils taking vital ex at the affected schools," a spo man for the Inner London Ed tion Authority said at the w end.

Dr. Eric Briault, ILEA Ed tion Officer, has warned there were 25 schools cau serious anxiety.

The authority had hoped hire 600 teachers for the school year, of which 400 needed to cope with the rai of the school leaving age. at the start of the new term ea this month the authority was 376 teachers short and the s tion has not improved since.

PROPERTY NEWS

Lyons plans to restore old Hop Exchange

BY PETER RIDDELL, PROPERTY CORRESPONDENT

LYONS AND CO. proposes to ... are Central Buildings, the ... Hop Exchange in ... thwark, South London, in a ... providing 58,000 square ... of office floorspace.

The company has made a submission to Southwark Council ... support in restoring the ... and for a larger Office Development Permit. Lyons ... already has a permit for creating ... 000 square feet of offices on the present site, but this expires next January.

Restoration will create a total floor area of 151,000 square feet (including the enlarged office content and a galleried Exchange Hall to be retained), which is substantially less than the 221,000 square feet originally provided.

Central Buildings is claimed to be the only premises of its type now remaining in London since the demolition of the Coal Exchange ten years ago.

Lyons' plans involve the restoration of the Exchange Hall and its domed roof, together with the replacement of the missing upper sections of the front elevations.

In its statement Lyons says the project has the support of the Royal Fine Art Commission and the Victorian Society, to which copies of the submission have been sent.

Sir John Bennett Tate and Partners is the architect, while Nathaniel Lichfield and Partners is the economic and land use consultant. Herring Daw and Manners is the letting agent.

Guild Sound and Vision moving to Peterborough

FINANCIAL TIMES REPORTER

MOVING TO PETERBOROUGH ... GUILD SOUND and Vision, the ... distribution organisation, is ... moving its offices from Merton ... Park in London to new premises ... Peterborough to provide a better operating base for its mail order distribution activities.

The company, part of the ... Waterhouse Industries group, ... a sponsored film library of more than 2,000 titles covering a wide range of general interest subjects. It also has a library of educational and training films. GS and V is committed to a development programme to increase the range of its distribution services. The new premises ... the right road and rail links, allow the installation of modern purpose-built systems and give scope for expansion into the audio-visual sector.

The company also wants to take advantage of the new Parcels Concentration Office in Peterborough since it is a large user of parcel post with more than 250,000 films sent every year.

Plans have been made to phase the move over two months so that there is no interruption in the company's services. It will start in November and should be completed by early January next year. The company's new address will be 85-129, Oundle Road, Peterborough PE2 9PY.

U.K. BUYERS AT LISBON FAIR

A party of 45 buyers from British multiple stores and importers arrive in Lisbon to-day to attend Filmoda 3, Portugal's international fashion fair. For three days, as guests of the Portuguese Government Trade Office in London, they will see fashions in clothing and footwear, and Portuguese design trends.

"In 1972 the U.K. imported over £42m. worth of Portuguese textiles, including £18m. worth of clothing," said Senhor Nuno de Sampaio Soares, director of the London Trade Office, who is in Lisbon with the party, "the latest figures we have for shoes show that the U.K. is importing around 1.5m. pair a year, valued at over £1m."

The wide-screen VW 1303 Beetle with self-stabilising steering

New steering system for Beetle models

BY DAVID WALKER

SELF - STABILISING steering similar to that on the Volkswagen Passat range, the new generation of models unveiled by the German company in June, is to be fitted to two members of VW's Beetle range.

This safety measure is among a number of improvements to the Beetles for 1974 announced by Volkswagen.

The self-stabilising system maintains a car on a straight course under braking, even if a front tyre has burst or the wheels on one side are on a slippery surface.

The front suspension is set automatically to counteract the outward pull on the front wheels exerted under braking, thus keeping the car on a straight line.

The two cars to be fitted with the system are versions of the 1303 Beetle, the wide wind-screened car introduced here last year. The 1300cc model will be imported to Britain in volume, while its 1600cc counterpart, the 1303S, is to be available to special order.

Changes affecting the entire Beetle range include larger rear light clusters and stronger open-box section bumpers. Both the 1300 and 1600cc models have more powerful AC generators, while the 1303 has an improved fresh air ventilation system.

BE POLITICALLY MINDED, BIRD LOVERS URGED

Bird lovers were urged at the week-end to become politically-minded and avoid the temptation to drift back into the image of a "*Joyce Grenfell character*" with emotive appeals for "our feathered friends."

"We must identify where the key environmental decisions are being made, and go there to lobby effectively for our point of view," conservation journalist Mr. Jon Tinker, of the New Scientist, told the Royal Society for the Protection of Birds.

Double Diamond drive in Belgium

By Kenneth Gooding

ANOTHER BRITISH beer brand is to go on sale in Belgium this month. Allied Breweries has signed an agreement to cover bottling and distribution in Belgium of Double Diamond pale ale, the group's top-selling brand.

Belgium is the only Continental country where British-style beer is consumed in any quantity—although by far the greater part drunk is still the lager type—and has attracted plenty of competition among U.K. brewers.

Already lined up in the market are Bass Charrington, Watney Mann, Whitbread and Young of Wandsworth. Bass and Watney also own major breweries in Belgium.

Allied, the Ind Coope-Tetley Walker-Ansells combine, which has established its own Common Market base in the Netherlands, has completed a deal with Wielemans-Ceuppens, fifth largest of the Belgian brewers.

Wielemans distributes throughout the country and has 2,500 outlets tied by loan, most of them in the Brussels area.

Allied intends to back the Double Diamond launch with intensive advertising and promotional support. It will put the main emphasis on bottled DD, but the draught variety will also be made available. It will introduce a special take-home pack for the Belgian market, where almost half the beer consumed is drunk at home.

Broader approach to EEC company law harmonisation urged

BY MICHAEL BLANDEN

ARGUMENTS FOR a "somewhat broader and more pragmatic approach" to the harmonisation of company law in the EEC were put forward at the week-end by a leading spokesman for the accountancy profession.

Mr. John Grenside, vice-president of the Institute of Chartered Accountants in England and Wales, said that there was a great deal of flexibility and adaptability in the U.K.'s regulatory system "which contrasts strongly with the more rigid and legalistic approach of some of our European partners."

The problems arising from this were evident particularly in the context of company law harmonisation. The proposals of the EEC Commission had been arrived at before Britain's entry to the Community, against the background of legal systems, corporate regulations and financial environments which were in many respects unfamiliar in the U.K.

Speaking at a dinner of the North West Society of Chartered Accountants' Conference at Lancaster University, Mr. Grenside said: "We should all acknowledge the immense amount of valuable work the Commission's officials have already done in the sphere of corporate regulation and financial reporting."

The accession of the U.K. had introduced "a new dimension and special problems, the magnitude of which was not at first fully appreciated," he went on.

He suggested that a start should be made by "identifying those basic requirements which are fundamental to any system designed to regulate effectively the conduct of limited companies and to secure adequate protection for the providers of both equity and loan capital, for creditors and third parties, and for national and Community interests."

Community directives on company law, he argued, should then be issued as "minima." This would allow scope for countries which wished to impose more stringent standards, and would avoid the "regressive alternative of levelling down to the lowest common denominator," implied by an attempt to impose completely uniform rules.

CHANCELLOR FLIES TO TANZANIA

Mr. Anthony Barber, Chancellor of the Exchequer, flew from Heathrow Airport, London, to Dar-Es-Salaam, Tanzania, yesterday to attend the the Commonwealth Finance Ministers' meeting. Accompanying him on his RAF Comet flight were Lady Tweedsmuir, Minister of State at the Foreign and Commonwealth Office, and Mr. John Knott, Minister of State at the Treasury.

Highshore pays £1m. for N. Finchley houses

FINANCIAL TIMES REPORTER

HIGHSHORE PROPERTIES has paid just under £1m. for a series of residential properties covering a total of about 6 acres in North Finchley, London, North.

The houses are numbers 127-147, Holden Road, N.12, near Woodside Park station, and the company has submitted two applications for about 100 units, consisting of one, two- and three-bedroomed flats, town houses, and detached houses.

Dollis Brook runs past the rear gardens of the houses, and a riverside walk will be included in the plans.

Highshore reports keen competition for sections of the site, with the price for number 127, whose previous owner was Mr. Spike Milligan, reaching £80,000 and another property going for £85,000.

These two houses were sold through Garard Spiro and Co., which acted with Ian Scott and Co. on behalf of Highshore on the purchase of the entire site. White Michaels is the selling agent.

Population growth 'basic reason for inflation'

FINANCIAL TIMES REPORTER

GROWING WORLD population is the basic reason for inflation, a leading conservationist claimed at the weekend.

It was also the cause of the ... prices of commodities such as wheat, oil and timber, Mr. ... Verney, chairman of a Government working party on management of natural resources, said.

"It follows that we must be concerned about and attempt to ... the wastefulness and ... of the affluent society and question some of the more ... arguments for economic growth," he told members of the Royal Society for the Protection of Birds, meeting at Eastbourne.

We could include in the cost-benefit equation elements representing the quality of life—landscape evaluation, the social cost of noise, the benefits of recycling human and animal wastes, the use of substitute materials sometimes replacing non-renewable natural resources, and the elimination of polluting industrial processes, especially those using large quantities of energy.

Because the nylon shirt and the plastic bag—mighty users of energy—were made from naphtha they were direct competitors for a scarce resource with the internal combustion engine.

Ninety-five per cent of concrete was made with gravel or crushed limestone, dug or quarried from sites of high agricultural value or scenic importance, when mountains of colliery waste, slate waste and china clay waste could be used instead, claimed Mr. Verney.

Bovis finance move hangs fire after Board row

BY KENNETH GOODING

FINANCING arrangements which would enable Bovis, the property and construction group, to change its policy by retaining more of its completed developments had almost been completed last week when Mr. Frank Sanderson resigned as chairman after a Boardroom row. The finance was coming from the Post Office pension fund.

Arrangements were in their final stages when Mr. Sanderson resigned, although his departure is unlikely to produce any last-minute change of heart by the pension fund.

Bovis is not in need of cash but has always used its financing facilities to the full. This means it does not have money to spare to enable it to switch from its present policy of selling completed developments for a trading profit to one where some developments would be retained to improve the group's asset position.

In another cash-raising exercise Bovis will eventually collect more money from the sale of shares in 20th Century Banking which it bought two years ago from First National Finance Corporation in a £6.5m. deal.

At one time it was thought that 20th Century might go public in November this year, but this looks increasingly unlikely because of the depressed state of the stock market. Bovis is in no hurry to sell the bank, even though it remains group policy to do so.

The depressed stock market and the fact that Bovis shares are bumping along at about their lowest point for the year will also influence Mr. Sanderson's treatment of his own share-holding in the company—1.4m. shares currently worth around £3.1m.

He will be in no hurry to place or sell these shares while prices remain so low. Also, as his statement last Friday showed, he will be retaining a non-executive directorship with the company and by this means will be able to keep a close eye on his investment.

Over the week-end, the background to the split at Bovis came more sharply into focus.

Apparently the dispute can be traced back some six months to when Mr. Sanderson was involved in a disagreement with Mr. Neville Vincent and Mr "Geoff" Jefcoate about various private interests. Mr. Jefcoate has since left Bovis to run his own company.

Relations between Mr. Sanderson and Mr. Vincent, barrister brother of Mr. Harry Vincent, the former Bovis chairman, who introduced Mr. Sanderson to the group six years ago, became worse, and in August Mr. Vincent produced a letter for consideration by the rest of the Board.

The final crunch came at last Tuesday's Board meeting, ostensibly called to settle the Bovis half-year report. There had been heavy lobbying by pro- and anti-Sanderson factions in the days before the meeting and until the last moment Mr. Sanderson looked as secure as ever.

A call for a secret ballot on Mr. Sanderson's position was approved by a majority of directors, and the ballot resulted in a 9—5 vote against him.

Mr. Vincent is now chairman and Mr. Malcolm Paris, formerly assistant managing director and considered to be Mr. Sanderson's right-hand man, has accepted an appointment as managing director.

Mr. Sanderson will now have more time to concentrate on his private company, First Eleven. Based at Torquay, where he owns an hotel, has house-building interests and a small bank. First Eleven makes profits of about £500,000.

Hugh O'Shaughnessy, Latin America Correspondent, reports from Santiago

Living with the coup and the censor

UNDER A small hand-written sign which says "Censor" there sits in the Telex department of Transradio Chilena a charming elderly colonel whom I met for the first time yesterday. A moment's perusal by him of an article which I was to send to London convinced both of us that my thoughts about Tuesday's coup d'etat, the Military Government and Chile's future political prospects were not his. He did his duty as he saw it.

This morning therefore I will not waste my time by composing an article which he would be upset to see printed in the Financial Times and which I would be upset not see printed. I must add that the colonel has a younger colleague who has taped an extra magazine to his automatic rifle. This well-equipped weapon, it would not be too fanciful to suggest, underlines the present validity of the age-old motto on Chile's coat of arms, "By Reason or by Force."

Let us therefore leave on one side the political and economic analysis which this newspaper's readers might expect as the new military junta completes its first week in office and turn, faute de mieux, to the anecdote and the descriptive.

The British Embassy acquitted itself particularly well on Tuesday. The Chancery is on the second floor of a four-storey building which housed the Bank of London and South America before it was taken over by the nationalised Banco O'Higgins. It stands on the corner of Calle Bandera and Calle Agustinas, a block away from the square in front of the Moneda presidential palace, the scene of the Generals' victorious tank, infantry and jet assault on the Allende Government.

The Reuter staff and I were caught there as we sought help to file our story after telecommunications ceased with the outside world. Throughout the action the embassy was an exposed and vulnerable vantage point from which to watch the action of tanks, infantrymen and snipers. There was a sniper's nest a few yards across the street which brought tremendous fire from the junta's troops, as did snipers on the roof of our building. The latter brought a response during the afternoon from Air Force helicopters.

Despite these efforts, apparently using pistols and light rifles, the snipers were still shooting when at 16.30 I broke for my hotel during a lull in the shooting. Peter Summerscales, Head of Chancery, provided all of us accidental refugees with fried sausages, baked beans, beer and coffee for lunch which we swallowed in the safety of one of the Embassy corridors away from the windows. The events of Tuesday should give greater urgency to the Department of the Environment to get possession of the new embassy offices which will be badly needed next year when the Chilean capital is to be host to the enormous International Law of the Sea Conference.

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Last night was the first night that I slept in my hotel bedroom overlooking the gutted Moneda palace. Since Tuesday night I have been sleeping on the mattress in the bathroom, out of the way of the stray bullet. Mr. Mike Gallegos, the manager of the Hotel Carrera, Santiago's principal hotel which is still owned by ITT, has been a model of smiling tact and good sense. For instance he kept the bar closed when the celebrations of his Right wing guests promised to alienate his staff, many of whom were Allende supporters.

As the days drag by with no firm news of when we can leave most of the 200 guests are getting to know one another.

As dinner is served in the steel shuttered dining room after curfew the atmosphere is like as on some liner in convoy in time of war. Most guests contributed to a special collection for the staff, but as the machine guns and bombs went off outside one Chilean objected to the idea. His room had not been swept, they had not given him new toilet paper and the service, he said, was slow. Mr. Gallegos is doubly admirable because his rooms, his home in fact, were destroyed by machine gun fire on Tuesday. About ten rooms looking out over the Moneda have suffered damage and the 18-storey facade is heavily pock-marked.

What trick of fate allowed Time magazine to have its staff correspondent on the spot on Tuesday but not Newsweek, and the Washington Post but not the New York Times? In the past few days all the foreign journalists on the spot have suffered agonies of frustration trying to get in touch with the world. We comfort ourselves by thinking of frustration of our colleagues trying to get into Chile. They say many have spent cold nights on the closed Chilean-Argent[…] frontier at the top of the seco[…] highest range of mountains [...] the world.

Soon, doubtless Santiago w[…] have a facelift. In Valparai[…] Concepcion and Punta Aren[…] the military have got youths [...] whitewashing every politi[…] slogan daubed on the walls. T[…] is a pity. Wall daubing [...] brought to a fine art in Ch[…] Most of the slogans were aggr[…] sive, but many were funny [...] quoting Pablo Neruda the po[…] No one has explained the sig[…] ficance of a widespread tri[…] gular rubber stamped sloga[…] "peace is strength."

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How many years will it t[…] Chile to recover from the e[…] mous bloodletting of the [...] few days? How many did [...] Were the gunfire and the ex[…] sions I heard last night mopp[…] up operations or executions? [...] the increasingly strong sp[…] sunshine Santiago, with [...] flowering fruit trees and its [...] rounding vineyards in the f[…] hills of the gigantic snowcap[…] Andes can look very beaut[…] if one blinds oneself to rub[…] in the streets, the broken g[…] and the city's ugly architect[…] This week it seems only ma[…] vile.

Graduates' pay advantage falls

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE PAY advantage enjoyed by graduates over people without higher education fell markedly over the past five years, according to Mr. Gareth Williams, designate professor of educational planning at Lancaster University.

In 1961 the starting salary of a science or technology graduate was about the same as the average wage of an adult man doing manual work, Mr. Williams writes in the Three Banks Review, published yesterday by the National and Commercial Banking Group.

By last year, however, the adult male manual worker's average wage was 30 per cent. higher than the starting pay of science and technology graduates

Leeds probe

There has been an even more marked drop in the graduate's salary differential over the youngest groups of manual workers.

This "strongly suggests that in relation to the demand for their services graduates were becoming much more plentiful as compared with non-qualified juvenile workers," Mr. Williams says.

His report is based on figures for the starting salaries of graduates from Leeds University, which have been collected annually since 1961.

These show that 12 years ago the median starting pay for men was £710 in arts and social studies; £775 in science; and £800 in engineering and technology. The equivalent 1972 figures were respectively £1,350; £1,400; and £1,400.

A conclusion that the graduates' salary advantage will continue to decline over the longer term is liable to attack on grounds that total demand for graduates by employers has leaped suddenly this summer.

Too many cuts

While the increased demand is doubtless partly due to the return to more buoyant conditions, especially in industry, there are other factors which suggest that this year's eager demand for degree-holders may be something of a freak.

The employment market has been affected by the dearth of young school-leavers caused by the raising of the compulsory school age from 15 to 16.

The sharply - increased industrial demand for young managerial-type recruits could reflect a short-term effort to replenish stocks by companies which were over-zealous in the recent shake-out. Having shed 10,000 or more "highly qualified" people a year during 1970-72, industry may now feel itself damagingly short of this class of employees.

The pay restraint may be causing young managerial staff to change their jobs more rapidly than usual in pursuit of higher salaries.

Mr. Williams' "tentative but important" conclusions are that the policy of producing extra numbers of people with degrees has not resulted "simply in graduates displacing non-graduates from jobs, leaving salary differentials constant."

The result has been apparently to make the economic advantage of getting a degree less attractive, and this in turn has caused a decline in the demand by school-leavers for entry into universities

Three conferences raise shipping freight rates

BY JAMES McDONALD, SHIPPING CORRESPONDENT

THE FIRST announcements of what is expected to be a spate of large worldwide increases in shipping conference freight rates by the end of this year, resulting from spiralling operating costs have been made by three important international conferences—the U.K.-River Plate Conference, the Europe and Argentine Freight Conference, and the Conference of Malta, Alexandria Steamship Companies.

The U.K.-River Plate Conference is to raise its freight rates by about 18 per cent. from December 1. It gives the warning that, because the increase "does not really cover increased costs the lines are incurring," a further rise in rates of not over 12 per cent. will be introduced from March 1 next year.

The conference last raised its freight rates in 1971. Member-lines are: Blue Star Line; Cia. Argentina de Transportes Maritimos (CIAMAR); Houlder Brothers; Lamport and Holt Line; Lineas Maritimas Argentinas S.A. (ELMA); and Royal Mail Lines.

Higher operating costs have forced the Malta Alexandria Steamship Companies' conference to raise freight rates by about 12½ per cent. from December 1 to Malta, North Africa, Cyprus, Lebanon, Syria and south Turkey.

Members of this conference include: Ellerman Line; Ellerman's Wilson Line; Gough and Crosthwaite; Moss Hutchison Line; Papayanni Line; and Egyptian Navigation Company.

In the past decade of inflation freight rates tariffs of scheduled cargo liner services have consistently been running behind continuously rising costs. With general opposition by developig nations to ocean freight increases, operators often find this time lag to be as long as six months or even a year.

Heavy-lift ship launch to day for Starman

By James McDonald,
Shipping Correspondent

THE STARMAN — a unique heavy-lift roll-on, roll-off vessel—will be launched to-day from the Brooke Marine yard at Lowestoft for Starman, a company managed jointly by Blue Star Line, London, and Rob. M. Sloman Jr., Schiffahrts, KG, of Hamburg.

This Anglo-German vessel is designed for the transport of heavy pieces of equipment. The ship's 7,700 sq. ft. main deck has been strengthened to take indivisible loads of up to 1,000 tons, with cargo rolled on or off over bow or stern ramps.

A multi-purpose vessel, the Starman is designed for world-wide trading but is capable of navigating shallow waters. For lifting smaller pieces of equipment up to 150 tons the ship has its own Stulcken derrick.

CREDIT CARDS

In the survey on credit cards, in Saturday's Financial Times, the article on retailers' credit schemes incorrectly stated that Peter Robinson was part of the John Lewis Group. There is no connection between Peter Robinson and the John Lewis Partnership.

Big Rolls-Royce contrac[t] with Yugoslav Navy

A SUBSTANTIAL contract has been signed between Rolls-Royce 1971 and the Yugoslav Navy for the supply of marine gas turbines to power a new class of fast patrol boat.

The Yugoslavs have asked that the size of the contract should not be revealed, but it runs into millions, and is one of the company's largest for marine engines since its formation.

Marine Proteus gas turbines, manufactured by the Industrial and Marine division of Rolls-Royce 1971, will be used for maximum-speed performance [...] the new vessels. Each boat [...] been designed to have two R[…] Royce marine Proteus instal[…] with diesel engines.

The Marine Proteus eng[…] developed by the company [...] Ansty, near Coventry, is [...] world's most widely-used ma[…] gas turbine, with sales of m[…] than 240 units.

It is already in service [...] ten navies as a power plan[t] [...] fast patrol boats, gunb[…] torpedo boats, hovercraft [...] hydrofoils.

Wool carpet sales rise

SALES OF woven wool carpets rose by 16.8 per cent. in the first quarter of this year, according to the Department of Trade and Industry.

This represents 2.15m. square yards of carpet, a 13 per cent. share of the woven carpet market, compared with 1.84m. square yards, a 12.5 per cent. share, in the same period of last year.

An even bigger sales increase is shown for carpets made of 50 per cent. or more wool.

Sales in this sector reached 8.29m. square yards in the first three months of the year as against 7.11m. square yard[s] [...] the same quarter of 1972. [...] market share for these car[…] rose to 50.7 per cent., a ris[e] [...] 2.5 per cent.

The DTI figures show [...] sales of man-made fibre car[…] were 3.16m. square yards, a [...] per cent. share of the mark[…] the first quarter, compared [...] 2.71m. square yards (an 18[…] cent. share) last year.

Total woven carpet [...] increased by 12.2 per cent., [...] 14.75m. square yards in the [...] three months of last yea[r] [...] 16.55m. square yards in the s[…] period of this year

Pirelli display at California furniture fair

PIRELLI OF BRITAIN, a leading manufacturer of rubber seating suspensions, will exhibit its products at the Western Woodworking Machinery and Furniture Supply Fair being held at Anaheim, California, from September 21 to 24 as part of a drive to boost sales in the U.S.

The company, which will be the only British manufacturer present, expects to increase exports to the U.S. by 20 per cent. this year and even more in 1974. It will exhibit Pirelli resilient webbing, a flat rubber-sandwiched textile springing medium, of which more than 1,000m. feet has been sold since its introduction in Britain in 1954, and the company's furniture platforms.

This will be Pirelli's fourth successive year at the fair and the third international event in which the company has participated in the past 12 months. In addition to transatlantic exports the company is also active on the Continent.

Doubts cast on value of data for unions

THE ADDITIONAL information about their affairs which companies will shortly have to make available to the trade unions is likely to help the larger unions but can do little for groups of workers like agricultural workers and postmen with few resources and little industrial strength to back up demands, say Robin Smith and Peter Manley, of Durham University Business School, in the September issue of the Three Banks Review, published by the National and Commercial Banking Group.

The article, on Company Information and Collective Bargaining, says the scope and detail of the information likely to be required may well pose problems for companies, many of which have records and information systems inadequate to meet the unprecedented demands to be made upon them.

Equally the trade unions, individually, probably do not have research facilities capable of utilising more information. But, say the authors, this is no argument against the disclosure of information, as some have tried to make it.

They cite the work of Ruskin College for various unions in the past, and suggest a co-ordinated research effort uniting the contributions of Ruskin, other research institutions and the TUC as a less costly alternative to extending individual unions' research departments.

Greater provision of information does not necessarily mean negotiations will be any swifter or smoother, say the authors. Unions will "develop methods of using it for their own short-term ends."

Disclosure may, they conclude, be justified by many arguments from equity and justice to practical politics.

Italy increases its base discount rate by 2.5%

BY ANTHONY ROBINSON

ROME, Sept. 16.

[TH]E ITALIAN base discount [ra]te has been raised from 4 to [6.]5 per cent. with effect from [M]onday in a move designed to [br]ing official interest rates closer [in]to line both with rising inter[n]ational rates and an upward [tre]nd in domestic lending rates of [al]l kinds. The Italian equivalent [of] Lombard rate, that is Central [B]ank advances on bonds and [s]ecurities, has also been raised [to] 6.5 from 5.5 per cent.

At the same time, the former [sl]iding scale by which the Bank [of] Italy raised its discount rate [in] three 0.50 per cent. stages to [a] maximum of 6.5 per cent. have [be]en modified. Henceforth, those [co]mmercial banks whose per[si]stent calls on the Central Bank [fo]r funds amount to over 5 per [ce]nt. of their obligatory reserves [de]posited with the Bank of Italy [w]ill be subject to a similar three-[st]age increase but of 1 per cent. [ea]ch to bring the discount rate [u]p from the new base rate of [6.]5 per cent. to a maximum of 9.5 [pe]r cent.

The Treasury has also [co]nsiderably modified both the [du]ration and the interest rate [av]ailable on Treasury bonds. [W]hen the Treasury offered [50]0,000m. lire of one-year [T]reasury bonds at 7.35 per cent. [a]s recently as mid-July there [w]ere practically no takers. [N]ow the Treasury have decided [to] reduce the duration from one [ye]ar to six months and has [ra]ised the coupon to 9 per cent., [w]hich, at a discounted offer price of 95.5 will yield 9.64 per cent.

Later this month the Treasury will offer 800,000m. lire of the new bonds and a further 800,000m. lire in October. The proceeds will be used to finance the growing budget deficit and the scheduled repayment of 400,000m. lire of Treasury bonds which fall due in October.

The rise in the official interest rate structure is seen here as being on the one hand inevitable and technically overdue and on the other hand as evidence of a new-found confidence that the economy is now strong enough to take such essentially restrictive monetary measures in its stride without knocking the now flourishing production, investment and export effort.

Industrial output rose 15 per cent. in July and circumstantial evidence, such as machine tool production and imports, company statements and the like, confirm rising investment. But the latest trade figures show that the Italian economy *is* definitely responding to treatment in this sphere too.

Exports, which rose *only* marginally over the first half, rose by 12.9 per cent. in July while imports actually *fell* by 8.6 per cent. on a month-to-month basis. This is taken to mean that the former speculative buying of imports at ever-increasing prices has diminished considerably.

At the same time the trade weighted devaluation of the floating lire is now around 10.5 per cent., nearly half the maximum depreciation of three months ago.

Under these circumstances the monetary authorities have clearly decided that the recovery can now to some extent look after itself. This has allowed them to concentrate on raising interest rates to prevent capital being sucked out of Italy by the tempting difference between domestic and international interest rate yields.

The three economics Ministries, Treasury, Finance and Budget and Planning, have also decided to ensure that the commercial banks provide sufficient credit to small and medium industries. With this in mind they have authorised the special credit institutes to issue new bonds totalling 700,000m. lire to be channelled specifically towards small companies. IMI, for example, will shortly issue 100,000m. lire of new bonds with this in mind.

In order not to penalise the investment plans of large companies, whose new bank borrowing was restricted to 12 per cent. per year in July, the new package will also speed-up the procedures whereby larger companies can gain access to long-term credit in order to replace short-term roll-over financing on a high interest rate basis.

Chrysler and union look for quick end to U.S. strike

BY GUY DE JONQUIERES

WASHINGTON, Sept. 16.

NEGOTIATORS FOR the Chrysler Corporation and the United Auto Workers are continuing bargaining in the hope of reaching a rapid labour contract settlement, despite the strike which has immobilised Chrysler's production in the U.S. and Canada since late on Friday evening.

Both sides have expressed optimism about being able to settle their differences which, they have suggested, spring more from the sheer complexity of the negotiations than from *irreconcilable disagreements* over deep-seated issues of principle.

Mr. Leonard Woodcock, the president of the UAW, said that the two sides had simply run out of time. "It suddenly was the 14th of September (the bargaining deadline) and we were a long way from home," he said. Chrysler's chief negotiator, Mr. William O'Brien, struck a similarly moderate note, observing that the talks had become bogged down in the sheer multiplicity of UAW demands.

The strike at Chrysler, chosen by the UAW as the "target" for a settlement that will be broadly adopted throughout the industry, is the first serious break in the pattern of unusually peaceable labour relations that has prevailed in the U.S. so far this year. Even so, relations between the two sides appear outwardly far more relaxed than at the outset of the UAW's strike against General Motors three years ago.

While a prolonged strike could seriously affect the market position of Chrysler, which is the smallest and financially least secure of Detroit's "big three," the company has built up sizeable inventory reserves for the short-term. A Chrysler spokesman said it has 200,000 1973-model cars on hand, a 50-day sales supply, when the strike broke out. However, it has no *new 1974 cars available* at present for the new model year which starts in the next few weeks.

The major stumbling-block in the talks appears to be Chrysler's resistance to the UAW's demands for the abolition of mandatory overtime, an issue which has come to symbolise the growing worker discontent in the industry and on which Mr. Woodcock has staked much of his own prestige.

While no precise figures have been *mentioned*, the general expectation is that the UAW will settle for a wage increase not far above the Phase Four guideline of 5.5 per cent. plus fringe benefits, rather than aim for a higher sum which would risk a difficult confrontation with the Cost of Living Council in Washington.

World Bank achieves its five major targets

BY ADRIAN DICKS

WASHINGTON, Sept. 16.

THE WORLD BANK group channelled a record volume of assistance to developing countries, totalling $3,555m., during the year ended last June 30, and announced that it has been able to achieve the five major targets set by its president, Mr. Robert McNamara, when he took office in 1968.

The annual report of the bank and of the International Development Association, published to-morrow, also confirms an increasingly strong trend towards softer terms of aid, and towards new purposes within the developing countries. But the bank describes its own operation as "marginal, though vital, in the global development effort," and notes that the largest proportion of resources devoted to development are mobilised by the developing countries themselves.

Within the overall assistance figure, the bank itself made 73 loans worth $2,051m. to 42 countries, while IDA approved 80 credits worth $1,357m. to 43 countries, an increase of no less than 36 per cent. from its performance the previous year. Over 70 per cent. of this record volume of "soft" IDA assistance has been directed towards countries with an annual per capita income of $120 or less, and in particular towards the 25 falling into UN definition of the "least developed."

The Report also shows that for the first time, the volume of lending to agriculture by the bank and IDA was higher than that to any other sector last year, and some $938m. was more than double the 1972 figure. Loans and credits for educational purposes, totalling $276m., were some 50 per cent. above last year's levels, and for the first time extended to projects devoted to primary education as part of the bank's aim "to make educational opportunities more widely available to all population groups" in the countries concerned.

Reviewing progress over the past five years, the report notes the achievement of five targets set by Mr. McNamara at the beginning of his first term. The global total of bank and IDA lending, intended to be doubled, have increased by 128 per cent. Lending to Africa, which was to be trebled, has risen by 214 per cent., and that to Latin America, due to be doubled, has grown by 128 per cent. Lending to agriculture and education, due to increase four-fold and three-fold respectively, has risen by 317 per cent. and 362 per cent.

However, in spite of the progress made by the bank towards what it calls a more comprehensive view of development, intended to "spread the benefits more widely, especially among the poorer sections of society," the report underlines a number of issues of serious concern for the future.

For all the increased effort being directed towards them, the 25 "least developed" countries appeared to be slipping further behind. Their average GNP growth slowed from 2.9 per cent. in 1970-71 to only 2.5 per cent. in 1971-72, and in per capita terms did not grow at all.

This performance contrasts with a more encouraging rate of growth by developing countries as an overall group, which increased its rate of GNP growth from 5.8 to 6 per cent. in the same period, and maintained its per capita GNP growth of 3 per cent. However, the difference between the two, as the report makes clear, continues to be due to a 2.5 per cent. annual rate of population growth that the bank remarks is in excess of that put forward in the UN international development strategy for the decade.

On the borrowing side, the bank reports raising a record $1,723m. through 22 issues in 1972, bringing total borrowing in the past five years to $6,794m. compared with $2,450m. in the five years 1963-68.

Dutch wage and price controls expected

BY MICHAEL VAN OS

AMSTERDAM, Sept. 16.

[T]HE DUTCH Government is to [la]unch its biggest attack so far [o]n the rampant inflation in the [c]ountry. It has prepared an anti-[in]flation package containing a [v]ariety of measures, of which the [m]ajor one, a 5 per cent. revalua[ti]on of the guilder, was [a]nnounced on Saturday.

The other measures—about [w]hich no advance information [h]as become available—are to be [d]etailed in Queen Juliana's [s]peech from the throne on [T]uesday, which will traditionally [in]corporate the 1974 budget. [T]hese measures are believed to [p]rovide for some sort of controls [o]n wages and prices.

According to the latest indica[ti]ons the 13.5 per cent. wage [i]ncrease expected this year may [w]ell be exceeded, while prices [a]re expected to rise about 8 per [c]ent. making the Netherlands [o]ne of the most inflation-scarred [n]ations in the industrialised [w]orld. Import prices, of crucial [in]fluence on inflation in the [c]ountry with such an open [e]conomy, are rising by 6-7 per [c]ent.

Professor Willem Duisenberg, [th]e Socialist Finance Minister, [sa]id the new programme con[st]ituted a "frontal attack" on [th]e two most urgent problems [fa]cing the Government. They [w]ere the "alarmingly high" rate [o]f price increases and the [pe]rsistently high unemployment [fi]gure. He added that the package would include measures to offset the adverse effect a revaluation would normally have on the employment position.

The Minister also said that the German revaluations earlier this year had not been followed because "we wanted to see the revaluation as part of a co-ordinated anti-inflation package, not as an isolated measure." Moreover, the "exceedingly strong" position of the Dutch balance of payments, which the Ministry used to justify the revaluation, had become increasingly evident in recent months.

The current surplus over the period mid-1972 to mid-1973 was at least Fls.5,000m. After correction, this amounted to Fls.13,800m. This was considerably higher than the desired level of Fls.1,000m. aimed for by the Government, and Fls.800m. up on the forecast for the whole of this year, Prof. Duisenberg added.

Professor Duisenberg added that a proposal would be submitted to the EEC Council to the effect that lower prices resulting from the revaluation were reflected in the Dutch agricultural products. To prevent an unfair loss of income in the agricultural sector, a temporary compensation would be arranged in the form of certain tax restitutions.

Soviet group hits out at Kremlin policy

MOSCOW, Sept. 16.

[A] SOVIET human rights group, [b]elieved crushed by police, [re]surfaced to-day to issue a stern [co]ndemnation of Kremlin treat[m]ent of dissidents.

In a statement delivered to [fo]reign newsmen here, five [m]embers of the self-styled [in]itiative group for the defence [of] human rights in the USSR [ch]arged that two of their former [co]lleagues had their "personality [br]oken," by police investigators.

The five—who include religious [w]riter Anatoly Levitin-Krasnov, [re]cently released after serving a [se]ntence for alleged anti-Soviet [ac]tivities — reasserted charges [th]at top Soviet psychiatrists were [in]volved in sending critics of [th]e Kremlin to mental hospitals [th]ough they were sane.

And they expressed their "deep [re]spect . . . for the worthy and [g]allant stand" of outspoken [d]issidents still at liberty, [ph]ysicist Andrei Sakharov and [N]obel prize-winning novelist [A]lexander Solzhenitsyn.

The two-page document charged [th]at Pyotr Yakir and Viktor [K]rasin, two former members of [th]e group who were jailed for [th]ree years two weeks ago after [pl]eading guilty to co-operating [w]ith "Fascist emigre organisa[ti]ons," had told lies at their trial [an]d at a Press conference [ar]ranged later by Soviet officials.

"It is tragic that these lies are affecting the fate and reputations of all the political prisoners in camps, prisons and mental hospitals in the Soviet Union," the statement declared.

It was the first document known to have been issued by the group since Yakir, son of a Soviet Army General killed during purges here in the 1930s, was arrested some 15 months ago. His detention had been thought to have brought the body's dissolution.

Apart from Levitin-Krasnov, the other signatories to the statement were scientists Grigory Podyapolsy, mathematician Tatyana Velikanova, biologist S. Kovalev, and T. Khodorovich, a linguist. At least four of the people who signed the group's first appeal to the United Nations in 1969 are now held in prison camps or mental hospitals.

Meanwhile Prof. Andrei Sakharov said in an interview released here to-day he had accepted in principle an offer of a professorship at Princeton University in the U.S.

In a telephone interview with the news magazine Der Spiegel, Prof. Sakharov said he had not yet replied to the offer and had taken no steps in this direction. "But in principle I accept this offer," he added.

Reuter

Swedish monarchy soon to enter new phase

BY OUR OWN CORRESPONDENT

STOCKHOLM, Sept. 16.

[TH]E DEATH on Saturday night [of] the Swedish King Gustav Adolf [V]I, at the age of 90, heralds the [en]d of the Swedish monarchy [as] a political factor. King [Gu]stav is succeeded by his grand[so]n 27-year-old bachelor Carl [Gu]stav XVI, who will have only [re]presentative—and no political [fu]nctions when a constitutional [re]form comes into effect next [ye]ar.

King Gustav Adolf had been [se]riously ill in hospital since [A]ugust 18. His death has over[sh]adowed to-day's general elec[ti]on.

The new Riksdag (Parliament) [w]ill among other things confirm a constitutional reform, already agreed by the parties, by which the monarchy loses all its political functions. Until this happens, however, Carl Gustav will exercise the existing functions of the monarchy, including the purely formal power to appoint the Prime Minister and Cabinet.

Under the new constitution, the function of appointing the Prime Minister will fall to the Speaker of the Riksdag.

King Gustav Adolf's funeral will take place in about 10 days time. Later this week Carl Gustav will take the Oath of Allegiance and be proclaimed king. There is no coronation.

The consortium building the A-300B sees it as a good basis for fuller integration of the European aircraft industry. **Michael Donne,** Aerospace Correspondent, reports

Tempting Britain back to the airbus

THE A-300B AIRBUS is assuming a significance in European aerospace thinking that only a few expected some years ago. Not only is this short-haul, twin-engined, jet airliner being regarded as the cornerstone of much of Europe's future success in world subsonic airliner markets, but it could also become the key to closer integration of the European aerospace industry.

Increasingly it is being argued on the Continent that if the U.K. Government (which pulled out of the airbus in the late 1960s) is serious in its claims to want such integration, it should join Hawker Siddeley (which stayed in the programme on a private basis) and support the venture financially. This would give a significant boost to future airbus developments.

So far, sales of the A-300B have been slow, as they have been for nearly every other type of aeroplane, including the Lockheed TriStar, McDonnell Douglas DC-10 and Boeing 747 Jumbo jet. In a bid to get sales moving beyond the present 39 aircraft on order or option for five airlines, Airbus Industrie, the combine formed to run the programme, took an A-300B to South America and the U.S. at the end of last week for an extensive sales demonstration tour.

Confident

Airbus Industrie is confident that sales will pick up in 1974 as airlines move further out of the doldrums of the early 1970s, reduce their over-capacity problems, improve their balance sheets and gear themselves to meet expanding air traffic markets. Reports indicate that more than one U.S. airline is eyeing the airbus with interest, and it is hoped that several contracts will materialise before the end of this year.

At present the airbus has no direct challenger. McDonnell Douglas has been thinking about a "Twin Ten" derivative of its DC-10 to meet the short-haul market at which the A-300B is aimed—routes of 150 to 1,200 miles or so, with heavy traffic volumes—but has not yet decided to go ahead. Lockheed's immediate concern is to get the extended-range version of its TriStar into production and airline service, and does not have any money to put into a new short-haul twin version.

Airbus Industrie believes that the growth of "city pairs"—providing jet services between cities hitherto without direct air links—will create a demand for a high-density, short-haul airliner. Also, the demand for a bigger short-haul jet will grow as traffic densities increase on many short-medium routes, and because of increasing restrictions on aircraft movements as a result of environmental pressures, runway capacity restrictions, night curfews reducing the number of hours any airport can stay open, and congestion in air-lanes. It believes the airbus is tailormade for this market, which is why such emphasis is being placed on the forthcoming U.S. tour.

Two versions

Apart from prototype B-1s, the airbus is being built in two versions: the basic B-2 short-range model carrying around 280 passengers over distances of 1,400 nautical miles, and the B-4 medium-range version, with the same payload but a longer range, up to 2,100 nautical miles. The flight test programme is well advanced, with three aircraft flying, a fourth due to fly this autumn and the fifth early next year. More than 670 hours in the air have been logged out of 1,850 needed for Certification, which is expected early next year, in time for deliveries to begin and passenger services to start with Air France in the spring.

Currently, production is geared to two aircraft a month, but this can be raised to four and again further to six a month as demand requires. Parts of airbus Number Ten are already moving into final assembly at Toulouse, the focal point of airbus manufacture. The plan is for ten aircraft to be delivered in 1974 and another 15 in 1975.

Six countries are primarily involved in the airbus. Control is vested in Airbus Industrie whose members are Aérospatiale of France, Deutsche Airbus (a German combine including Messerschmitt Bolkow-Blohm and Vereinigte Flugtechnische Werke), CASA of Spain and Fokker-VFW of Holland. Hawker Siddeley of the U.K. is involved on a private venture basis, building the wings and with an overall design consultancy.

The engines are CF6-50Cs, from General Electric of the U.S., identical to those used in the long-haul version of the McDonnell Douglas DC-10. By mid-1973, a total of around 10,000 workers were involved, of which about 4,000 were at Aérospatiale, around 4,500 in Deutsche Airbus, about 1,000 at Hawker Siddeley and the rest at Fokker and CASA.

Finance is coming directly from the French, West German, Dutch and Spanish Governments, with Hawker Siddeley putting up its own share—the precise amount has never been revealed. The Governments have guaranteed funding for the launching phase (development and prototype production) up to about £230m. ($580m.), and for production with the Airbus Industrie participants empowered to borrow from the banks and other institutions up to $900m. Finance for airlines to buy the aeroplane on favourable credit terms is also available. So far, the airbus is on budget and ahead of development schedule.

Building the airbus at Toulouse.

R-R engine

The airbus team is confident it can sell several hundred aircraft. It recognises, however, that what is really wanted for the future is an entire "family" of variants with which to combat American competition—especially from Boeing with its projected "7X7" family of airliners. To do this, it will need not only more money, but also greater industrial strength, without other rival projects splitting the European aerospace industry and weakening the overall effort.

Thus, it is argued by Airbus Industrie that if the U.K. Government really wants a more closely integrated European industry, it would be wrong to press ahead with development of any rival project, such as the Europlane QTOL. Rather, the U.K. ought to ensure that only one major European wide-body subsonic airliner venture is undertaken, namely the airbus.

Already, Airbus Industrie is talking in terms of several variants. In particular, it would like to have the Rolls-Royce RB-211 engine in some future models, and considerable efforts are being made by Airbus Industrie to induce British Airways to buy a version with such engines.

One model, called the B-8, which could use either General Electric engines or the RB-211-22 of 42,000 lbs thrust, and capable of carrying 200-245 passengers up to 1,500 nautical miles, has been offered to British Airways and U.S. airlines, including those who have the Lockheed TriStar with RB-211s and want the same engines in anything else they may buy. Another is the B-9 variant, capable of carrying up to 300-350 passengers, again over 1,500 nautical miles—a DC-10/TriStar competitor.

Yet another variant is a 200-seat B-10, which could use the uprated RB-211-24 of 48,000 lbs thrust, with a longer range of 2,700 nautical miles, which could also meet British Airways' needs. An all-cargo version and a convertible passenger-cargo version are also planned.

Beyond these variants, however, lie more forward-looking ideas that might prove a bigger temptation for the U.K. Government to get back into the A-300B as a means of pushing ahead with European aerospace integration. Airbus Industrie is hinting that Hawker Siddeley, in addition to building wings for all airbuses, could become the basic centre for production of one or more of these variants.

Airbus Industrie sees among these main lines of development a reduced take-off and landing (RTOL) version for short grass strips, bringing jet service to many new places. Another possibility is a four-engined version seating 200 passengers for ranges of 6,000 miles or so, with a variety of engine possibilities, including a derated version of the RB-211. This would be somewhat smaller than the latest Boeing 747 Special Purpose airliner, which has already begun to move into this market, and more like a Boeing 707 replacement in the mid to late 1970s.

Small price

Airbus Industrie privately suggests that this aeroplane could be one of those taken over by Hawker Siddeley at Hatfield, getting Britain back into the subsonic long-haul airliner business. The development cost might be £80m.-£100m., a comparatively small price for a stake in the airbus business when shared out among the participants.

These ideas might all seem to be another example of aerospace industry brochuremanship. To Airbus Industrie, however, they are the logical extensions of what has already become a reality in four or five years since the airbus got moving again in 1969 after Britain had pulled out of the original plan.

Airbus Industrie knows that the immediate task is winning orders. If these do not materialise, all ideas for the future must collapse. On the other hand, its views on the development of the airbus, and how these could fit into the overall European aerospace industry picture, could be the catalyst for the changes many Governments want to see in the industry.

The American industry, led by Boeing, will not wait while Europe makes up its mind what to do. The Airbus Industrie ideas have the tacit support of the French and German Governments. The U.K. Government, with little money to spare for lavish new ventures in the years ahead, could do worse than give them a good look over.

THE WEEK IN THE COURTS

EEC law: a major test by a Surrey garage

BY JUSTINIAN

THERE HAVE already been one or two forensic skirmishes in the English Courts with European Community law, but the decision of Mr. Justice Bridge in *Esso Petroleum Company Ltd. v. Kingswood Motors (Addlestone) Ltd.* (to be published in the October edition of Common Market Law Reports), marks the first substantial involvement of the English judiciary with the Treaty of Rome.

It is not just the fact that a litigant sought, unsuccessfully as it turned out, to defeat an oil company's solus agreement—whereby a petrol station agrees with the oil company to supply its customers exclusively with one brand of petrol—but that the judge indulged in an exposition of the relevant Community law that will be avidly appreciated by the legal profession.

Not surprisingly, it is Article 85 (and the Regulation—No. 17 of 1962) which comes under the microscope. For that Article embodies the law prohibiting restrictive practices. The argument of the owners of the petrol station—a garage on the Brighton Road, in Addlestone, Surrey—was that the law in this country changed on January 1, 1973, to the effect that this and every other solus agreement affecting every other petrol station up and down the country was struck down and invalidated by Article 85.

Judge's decision

The judge's starting point was a consideration of that much-discussed provision of the Rome Treaty. He decided, in conformity with the jurisprudence of the European Court, that agreements like the solus agreement were potentially within the prohibition of Article 85, as having as their object or effect the prevention, restriction or distortion of competition within the Common Market. But such an agreement is not within Article 85 *per se*. Whether or not it is caught in the restrictive practices net depends on all the surrounding circumstances, and not upon the terms of the individual agreement considered in isolation.

The judge then proceeded to analyse the complex machinery established to govern the exercise of the power in Article 85 for declaring the provisions applicable or inapplicable to particular agreements or categories of agreements.

In summary, Regulation 17 of 1962 provides that the exclusive power to make declarations clearing or condemning agreements is vested in the European Commission—subject of course to review, if necessary, by the European Court in Luxembourg. But so long as the Commission has not initiated any of the proceedings by which the Commission, either on application of parties to an agreement or of its own motion, considers the status of such agreement, then the authorities of the member-states (including each country's courts of justice) remain competent to apply Article 85. And that is so even though certain time limits for notifying the Commission of agreements have not expired. So the petrol station proprietors could properly raise the issue of the solus agreement in proceedings before an English Court.

The Regulation then goes on to classify agreements in two ways. The first classification concerns "old" and "new" agreements. When Regulation 17 was first promulgated back in 1962, "old" agreements were those entered into before the making of the Regulation. For those countries which joined only when the Community was enlarged on January 1, 1973, "old" agreements referred to pre-1973 agreements. The solus agreement was an "old" agreement, having been made in December 1969, to last for five years.

Must be notified

The second classification concerns the notification of agreements to the Commission, the object being that the Commission can then consider whether or not the agreement was exempt from the prohibition in Article 85. There are agreements which *must* be notified and those where it is optional whether notification is given. For those that are compulsorily notifiable, and are "old" agreements, notification must be made within six months of the entry into the Community of the country where the agreement was made. (The six months had not elapsed before Esso sought to, and did, obtain an injunction to restrain the petrol station from selling some brand of petrol other than Esso's.)

What, and who, decides the status of a potentially invalid agreement in the interim period which must inevitably elapse before the Commission can exercise its exclusive power to declare the status of an agreement? Here, Mr. Justice Bridge dutifully considered and applied two major decisions of the European Court. In the first case the point raised and answered was: when is an agreement compulsorily notifiable? The answer is, if it concerns import or export between member-states. The European Court said in relation to a brewery agreement—a tied agreement just like that for pet[...] stations—that an agreem[...] between a firm and an indep[...] dent retailer engaging the lat[...] to obtain his goods exclusiv[...] from the former, both establis[...] in the same country and wh[...] the carrying out of the ag[...] ment does not imply that [...] goods in question cross [...] national border, does not [...] cern imports or exports. T[...] decision demonstrably es[...] lished that the solus agreem[...] was exempt from compuls[...] notification.

The crucial issue thus was [...] an "old" agreement, which [...] not subject to compulsory [...] fication, provisionally va[...] Again the same decision [...] vided the answer, although [...] language of its reasoning [...] couched in less clear and [...] equivocal terms. Mr. Jus[...] Bridge found that, whatever [...] obscurities of unfam[...] language—he had an Eng[...] translation of a judgment in [...] man—in the absence of [...] cogent indication to the contr[...] the national judge has, du[...] the interim period before t[...] has been any declaration by [...] Commission, to consider [...] the status of an agreement [...] whether it is in the non-notifi[...] category. If it is in that cate[...] the judge is entitled to ass[...] that the agreement is valid [...] not struck down by Article [...]

Same conclusion

Mr. Justice Bridge help[...] pointed another route by w[...] he could come to the same [...] clusion. In another, very re[...] decision of the European C[...] it was said of "old" agreem[...] that legal certainty as reg[...] contracts requires that a [...] cannot, particularly when [...] agreement has been notifie[...] accordance with Regulation [...] (and the more so if there [...] been no requirement to no[...] or the time for notification [...] not yet expired), declare [...] agreement a nullity until [...] the Commission has mad[...] decision.

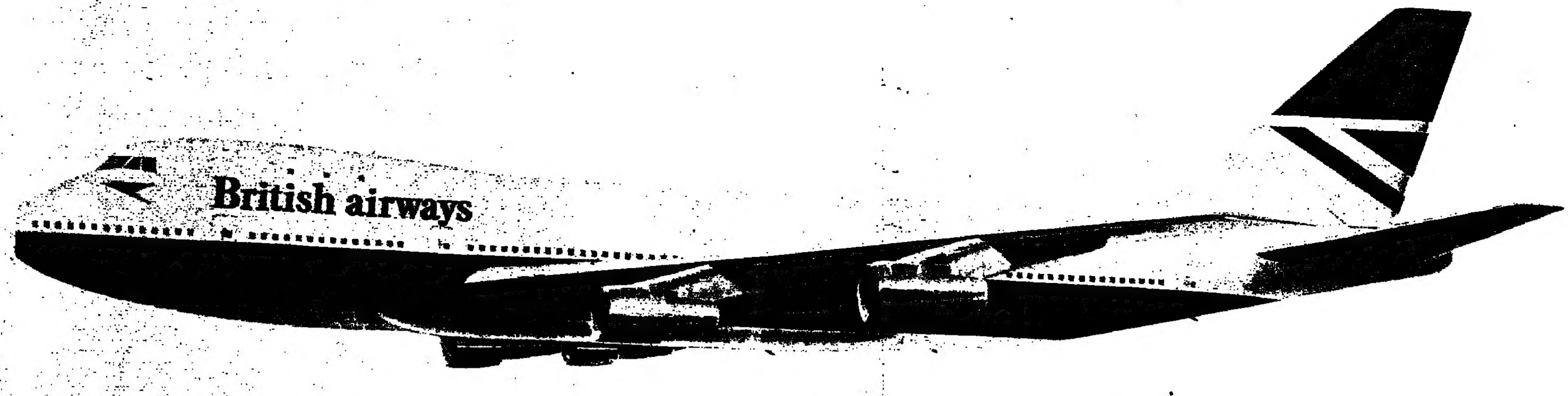
Hence the solus agreemen[...] the limited period of five y[...] which has received [...] *imprimatur* of a House of L[...] decision, as affording no [...] than adequate protection to [...] legitimate commercial inte[...] of the oil companies, surv[...] a legal assault from the r[...] quarter of the Rome Treaty. [...] decision itself will hardly [...] prise the legal profession. [...] the manner in which the j[...] treated an unfamiliar incu[...] of Community law into Eng[...] law is a model hopefully t[...] adopted by others in the fu[...]

Ultra contract for £1.6m. for sonobuoys

THE MINISTRY of Defence (Procurement Executive) has awarded a £1.6m. contract to the sonar and communications division of Ultra Electronics for passive sonobuoys. It is the third order worth over £1m. the division has won from the Ministry in four years.

The sonobuoys in the new contract are improved versions of the ones now in production and have been developed further for use with Nimrod aircraft.

The company's order books are at "record levels," says Mr. Brian Dix, director and general manager of the sonar and communications division.



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SPORT: RUGBY UNION . . . YACHTING

England deserve victory

BY DAI HAYWARD

AUCKLAND, Sept. 16

PLAYING HARD, aggressive rugby and producing cover defence which held under pressure, although sometimes stretched to the limit, England twice fought back from behind to beat the All Blacks 16—10 at Eden Park. England had to wait nearly 40 years from 1936 for victory over the New Zealanders and they deserved their win yesterday, although they went perilously close to losing.

England scored three tries and two conversions to two tries and one conversion in a close, hard fought game. They had corrected most of the faults that cost them three previous matches in New Zealand. Victory was all the more praiseworthy as the English team, obviously lacking match fitness when they arrived, were up against players just coming to the end of a season.

Despite three earlier defeats—two against Taranaki and Canterbury which they should have won—"Pullin's Poms," as they are known in New Zealand, established a new reputation for English rugby.

Match star

The performance of the backs was good, with clean, crisp passing, hard tackling and fast running play, but the major credit for victory rests with a tireless English pack which held New Zealand, won ample ball for the backline, provided extra cover defence when needed and, most important of all, went into rucks and mauls with vigour and fire not previously seen.

All eight forwards put their heart into the game, reaching a high peak of performance individually and as a pack. In scrums they often lifted the All Blacks' front row. In the line-out they more than held their own, providing Webster with plenty of good, clean ball.

Frequently they drove forward from the line-out, drew All Black defenders into a ruck, then fed the ball back cleanly. Often when New Zealand gained possession from a line-out, English forwards, particularly Uttley and Watkins broke through, bustled New Zealand's scrum-half, Going, and ravaged the New Zealand backline.

England's No. 8, Ripley, really lived up to the title of "White Tiger," applied jocularly to England's team by some New Zealand sports writers. In the loose he never let up and in defence he was a solid bastion.

Star of the England team and architect of their win was scrum-half Jan Webster. He won his duel with Sid Going to the extent that once towards the end of the match Going showed signs of peevishness at being unsettled and forced off his game by Webster.

Several Going breaks around the scrum and attempts to send the New Zealand back-line away were thwarted by Webster, who showed brilliant anticipation and speed. Even deliberate All Black attempts to trap him into offside failed.

Expected duels between both pairs of star wingers, Duckham and Squires and New Zealanders, Williams and Batty, did not reach great heights mainly because the ball seldom reached them. On the day, however, Duckham was the best of the four.

Blind side

Preece and Old combined well and made many penetrating thrusts.

The match started badly for England, under pressure from the All Blacks kick off. With only four minutes gone the New Zealanders were on the ten-yard mark. Wylie, the New Zealand No. 8, stood off the ruck, picked up the ball and slipped it to Batty on the blind side, who sidestepped Squires to sco[re] putting England four poi[nts] down.

England came back, howev[er] with forwards producing so[me] magnificent drives and equa[lly] magnificent rucking. Th[ey] carried play downfield, unsettl[ing] All Blacks in set scrums, one which gained England a pena[lty] on the 25-yard line. Webs[ter] ran the ball inside, broke ri[ght] through New Zealand's forwa[rds] and fed it back to his cent[re]. The ball went loose as New Z[ea]land defended hard, but Pre[ece] retrieved it and scored. R[oss]borough converted to [put] England two points in front.

After 25 minutes All Black [for]wards were driving upfi[eld]. England's defence was good, [but] slipped back. Hurst snapped [up] a high pass, found a narrow [gap] and cut through to sc[ore]. England again trailed, 10—6.

At this stage England ha[d a] slight edge, but the game co[uld] have gone either way. In [the] second spell they were pres[sing] with forwards providing [the] spearhead of attack. When [All] Blacks failed to clear, Web[ster] sprinted several yards and kic[ked] on. Stevens snapped the ball [up,] pushed forward, was caught [and] threw to Railston who lunged[.] He passed back to Stevens [who] made it to the line. Rossboro[ugh] converted to put England in f[ront] 12 points to ten.

The All Blacks were still [try]ing hard and the game seesa[wed], England having the best of [the] play. With only five minute[s to] go England were under press[ure] then Webster put it bey[ond] doubt. He high-kicked, follo[wed] up fast, and with forwards in [sup]port he stopped New Zea[land] fullback, Lendrum, from clea[ring].

England's captain, Pullen, [was] carried off by his forward[s in] tribute. The jubilent vic[tors] certainly had something to [sing] about in the showers after [the] match.

Solent win for Morning Cloud

BY ALEC BEILBY

FOLLOWING THE debacle in the Fastnet Race, and the consequent loss of the Admiral's Cup by the British team, the crew of Mr. Heath's Morning Cloud have been racing in the Solent since mid-August with a fervour that can be compared with that shown during the Admiral's Cup team selection trials earlier this summer. At the week-end they won the 11th race in the 13-race Solent points series.

Sailing from Hamble to Yarmouth on Saturday and back yesterday, the race, organised by the Royal Southern Yacht Club, is one of the traditional events of the late season in the Solent.

On Saturday the course was extended to bring the race up to the required distance to qualify as a Solent points event and to produce some windward work over a predominantly westerly course set in a predominantly easterly wind.

Prior to the start, Morning Cloud and Robin Aisher's Frigate were level on the Solent points series, each with three wins over the other, and with the outcome depending on the last three races.

The race began in light wind, favouring the smaller Frigate. As the fleet began a circuit of the Eastern Solent, before flying off on a downward tangent westward to Yarmouth, the wind freshened and Morning Cloud was revelling in the elements that best suit her. There is no doubt that in winds of more than Force 3 (10 to 12 mph) she flies.

While most crews chose the middle route on the first [leg] westwards, John Pren[tice] aboard his Swan 44 Battl[e] stayed by the Isle of Wight s[hore] and this paid him well. He [and] his crew finshed second ove[rall] with their great rival of [the] season, Superstar of Ham[ble] three minutes astern in t[hird] place.

Frigate stayed in mid-So[lent] with Morning Cloud but bec[ame] boxed in by smaller yachts at [the] turn, eventually finishing sev[enth].

The Royal Ocean Racing C[lub] selectors have been delibera[ting] over the team for this win[ter's] Southern Cross Trophy, [Aus]tralia's answer to the Admi[ral's] Cup. It now seems that t[he] choice must be Morning Cl[oud], Donald Parr's Quailo III [and] Arthur Slater's Prospect [of] Whitby, which replaces Fri[gate].

Record set by Atlantic cargo ship

By James McDonald, Shipping Correspondent

SEA-LAND SERVICE, of the U.S.—the world's leading containership operator—has broken the transAtlantic speed record for cargo ships with one of its ultra-fast SL-7 containerships, the Sea-Land Exchange.

On a voyage between Bishop Rock, near Land's End, and Ambrose Light, New York, the ship registered a time of 3 days 14 hours 54 minutes, an average of 33.54 knots, considerably exceeding the QE2's service speed.

On her eastbound sailing the ship took only 3 days 18 hours and 2 minutes, an average speed of 33.21 knots. Both records were previously held by her sister-ship, Sea-Land McLean.

The group has five of these 946-feet long SL-7 containerships, each costing about $45m.—two in the North Atlantic, and three in the Far East. Three more will be built by the end of this year, all capable of 33 knots.

Sea-Land has 73 containerships serving 109 ports in 44 countries. The company is part of R. J. Reynolds Industries.

Supertanker in growing U.S. fleet

By James McDonald, Shipping Correspondent

OVERSEAS Shipholding Group Inc. of the U.S.—a fast growing bulk shipping company generally known as OSG—has taken delivery of a new 265,000 deadweight tons supertanker. This ship, which is 50 per cent owned by OSG, has entered service under a long-term charter.

Named Eastern Lion, the vessel is the second of eight very large crude carriers (VLCC's) scheduled to join OSG's international fleet, all of which have been chartered for long periods. This latest delivery raises the company's operating fleet to 39 ships, aggregating nearly 2.1m. deadweight tons.

By early 1978, when the last of the 21 ships now on order is delivered, the OSG fleet will total over 5m. deadweight tons, including ten 50 per cent owned vessels and six 60 per cent owned ships. Over 70 per cent of the 3m. tons of shipping on order has already been chartered for terms of five years or longer from time of delivery.

Heath calls for more flexible home loans scheme

FINANCIAL TIMES REPORTER

THE PRIME MINISTER said at the week-end that the Government was not satisfied with the present system of house purchase finance and believed that it needed to be "a good deal more flexible and imaginative."

Mr. Heath made his reference to Friday's recommendation by the Council of the Building Societies' Association to raise the mortgage rate for home buyers to 11 per cent. at a Conservative Party rally at Stratfield Saye, near Basingstoke, Hants.

He made it clear that discussions with the building societies were "well advanced."

"We want to make it easier for first-time buyers to buy their own homes," he said. "Building societies know the importance we attach to these discussions. We shall carry them forward with urgency and determination."

Mr. Heath pointed out that the building societies had produced "convincing evidence" that the banks were seeking deposits from small savers at rates considerably above the building societies' deposit rate.

He stressed that he had hoped the building societies would have taken a "wait and see" line before making their decision in view of Mr. Anthony Barber's initiative in securing the co-operation of the banks in limiting the rate which they could offer for deposits from small savers.

Under the Conservatives more people than ever before were achieving home ownership, said Mr. Heath.

The Prime Minister claimed that the Labour Party had different ideas and were "much more interested in extending State ownership."

Different ideas

"Now they're discussing a plan to take away everyone's land and everyone's home. And then as a great favour they might let you have your own home back on a long lease. I know what most people in this country would do with a plan like that."

Mr. Heath said that Mr. Harold Wilson, the Opposition leader, and his disciples still thought it inevitable that Britain should lurch from crisis to stagnation and back to crisis again.

"What he proposes contradicts entirely the views of the trade unions given to me in the talks which I have had with them over many months," he went on.

"They are not interested in his political manoeuvrings. They want to see expansion continue at a steady, sustainable rate. They know that this is in the best interests of their members and their families. So do the employers."

The Labour Party leader wanted a policy of "deflation" he added.

"We shall go on with our policy of steady, moderate expansion. We believe it is the best way of protecting the fast rise in the standard of living which we have seen in the last three years. We believe it will enable us to go ahead to an even better standard of living in the future."

The Prime Minister said he was going to Dublin to-day believing there was an opportunity of "*arranging finally to put an end to violence.*"

Britain was not going to be deterred by violence or by bombings, he told the rally.

'Put more effort into exports'

BY OUR INDUSTRIAL CORRESPONDENT

U.K. INDUSTRY, labouring under price controls in this country, was urged this week-end by Lord Limerick, Under-Secretary for Trade, to put more effort into profitable exports.

"Several companies have recently reported that they are finding exports profitable as never before," he said.

"Whatever the degree of success you are currently achieving, now is the time to look very carefully at whether you are taking full advantage of unprecedented opportunities for building up exports over the long term.

"If exporting is a relatively minor part of your business it makes sense to examine urgently what degree of priority you should give it in the future. Unless your target is to increase your exports by at least 13 per cent. you are not even keeping abreast of the world trend."

Lord Limerick, speaking at the Brighton International Exhibition and Trade Fair, pointed out that U.K. exports had been breaking all records so far this year, and warned of the dangers of complacency.

In the last three months, he said, exports were on average 28 per cent. higher than in the second half of last year. The rise had been particularly marked in certain markets, including a 55 per cent. increase to sales to Japan, 49 per cent. to Belgium and Luxembourg and 38 per cent. to Canada.

The change in the parity of sterling had given Britain an important, and in some cases enormous, advantage over major competitors.

Whereas a year ago the Germans and Japanese, for example, might have had an edge over U.K. prices, in many cases this was no longer true. "We can now compete against them more strongly not only internationally but in their home markets as well," Lord Limerick declared.

"Increased exports are a key element in the rapid economic expansion we are experiencing now. They are absolutely vital if we are to sustain the rapid economic growth that previously eluded us for so long."

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS.

● ELECTRONICS

Better communications

WITH FUNDING from the Science Research Council, industry, Government departments and the research associations, research activity in the electrical and electronics department at the University of Manchester Institute of Science and Technology (UMIST) is expanding rapidly—there are now some 200 post-graduate students.

One piece of work in the communications area—for the Royal Aircraft Establishment at Farnborough—is concerned with the interference that occurs to digital data when it is transmitted from an aircraft to ground by an HF radio voice channel occupying 3 kHz anywhere in the three to 30 Mhz band. Early on, statistical evidence showed that the majority of the interference often occurs in perhaps two or three very narrow bands only about 100 Hz wide.

This is accounted for by the fact that most other users in the HF bands are using frequency shift keying, but there may also be overlap of audio channels that might produce interference at the extreme ends of the 3 kHz channel one is trying to receive.

Evidently, if these narrow interference slots could be avoided in some way, the air-to-ground bit error rate could be reduced. The aim is of some importance since it is understood that there are areas of the North Atlantic where this kind of interference is serious, although if international agreement and discipline were perfect in terms of allocated frequencies, powers and bandwidths, the problem would not arise.

In one of the approaches at UMIST, the ground receiver continually monitors the 3 kHz band being received and in effect chops it into bands 110 Hz wide using very steep-sided filter characteristics. The offending two or three 110 Hz bands are then removed, so that although very little of the overall modulation is lost, the interference is removed and the error rate goes down.

In the other approach, the ground receiver monitors the proposed 3 kHz band when the aircraft is not transmitting and then tells it which are the best FSK tones to use to avoid the current 110 Hz wide interference slots at the ground reception point. There is of course, little problem in communicating with the aircraft since powerful transmitters with large aerial arrays are used.

The UMIST department, which is using the big CDC 7600 computer at the university for interference analysis, hopes to try the system on a live HF link to an aircraft during next year. As yet it is not clear how many 110 Hz bands could be excised before data is lost, and so far no work has been done on improving audio channels in this way.

Interest is also being taken by the department in the display end of communications systems. For example, the use of cathodochromic storage phosphors for display tubes is under examination.

These have the property that they change colour under electron beam excitation (unlike colour TV phosphors which *emit* coloured light). The effect is more or less persistent and two substances are under examination. One is chlorosodalite in which light erases the stored image, and bromosodalite in which only heat does so. The second is clearly more useful since ambient light will not make the image fade, and it has been found that the heat generated by an incident electron beam of sufficient intensity and time will cause erasure.

At the moment a 100 to 150 micron spot size is being used, a duration of one or two microseconds at 200 microamps producing the coloration (a deep mauve) and 10 to 20 microseconds removing it.

In the UMIST experiments the whole screen is darkened using the low intensity beam and an image written by erasure, giving "white on black" characters. The image stores indefinitely and can be used in bright sunlight.

Due to the small spot size there are some problems at the moment about registration and re-addressing a point on the screen. A choice of time/intensity also has to be made to keep the process reasonably fast. Actual erasure of a character, of course, is by re-addressing it at the lower beam intensity to restore the colour. A servo system to overcome the problem is under development and this, together with the fact that in an alphanumeric display system the necessary co-ordinates will always be in store somewhere, could give a successful outcome.

Still on the subject of displays, the department is also looking at computer-controlled flying spot scanning systems in an attempt to consume fewer bits in the storage of an image. Even with the increasing cheapness of storage it is clearly pointless to store those parts of a picture that convey no information.

The work has involved gathering the statistical properties of various computer graphics images and using these to develop an adaptive encoder which will allow the pictures to be economically stored (and manipulated if necessary) in the computer and a cassette store associated with it.

On the 512 x 512 scanning matrix used there are about 260,000 potential picture elements (black or white) and with the UMIST system the amount of information actually stored could go down in the ratio 20:1 for a thing like a simple graph and 2:1 for alphanumerics.

Hardware has been built for recording and playing back pictures, in conjunction with a Micro 16 computer. Sizeable reductions in the number of bits that need to be stored have been made even for quite complicated pictures such as photographs of commonplace objects, and on playback it is very difficult to tell the difference from the original.

GEOFFREY CHARLISH

Dictation machine link

ONE DICTATION machine can economically communicate directly with another using a phone transmitter unit, designated model PT, working over a normal telephone line and making maximum use of the time bought on the line.

The device is made by Dictation Equipment, 36 Kingsway, London WC2B 6HE and so far is available for use with three machines, the Philips 96 and 98 where it is housed in a separate small box on the side of the machine, and the Cybervox 400 where it is concealed inside the unit.

At the transmitting end the recording is speeded up so that a ten-minute call takes only six minutes of line time and at the receiving end is slowed down again to produce normal speech.

The company originally saw a need for companies employing part-time outworkers to be able to speedily put material out when their own facilities are overstretched.

The Norwich Union Insurance Group has installed a pilot system—based on Cybervox 400s—operating from their Norwich headquarters. Barclay's Bank are also trying out a system, utilising the Philips 96, whereby overworked sub-branch secretarial staff can transmit matter to main branches for transcription.

For companies utilising outworkers, the system will enable them to establish a direct link between out-worker and transmission equipment. The home typist could then take as much, or as little, dictation as she wanted—without having to leave her house, or having to wait for cassettes to arrive in the post.

● SAFETY

Warns when flames die

SUITABLE for all gas fired or ignited ovens, furnaces and boilers, a positive ultraviolet flame monitor is being built by Photoelectronics (Arcall), Hackbridge, Surrey.

Designed to suit all automatic or semi-automatic gas-fired or gas-ignited ovens, furnaces and boilers, the unit can also be used in other situations where flame detection is of prime importance.

The heart of the detection system is an ionisation UV photocell which can detect all types of flame, and is unaffected by variation in the constituents of the gas in such a flame.

Control is via a solid-state silicon transistorised circuit which ensures high-speed flame cut-off. The circuit is also fail-safe, and there is no possibility of a "flame-on" signal being given by a hot refractory when the flame is out.

Efficient flame detection is essential to safety where large volumes of gas are consumed, and the unit was developed as a result of the increase in recent years in the use of gas as an industrial fuel. It has undergone extensive field testing over a long period and has been subjected to rough usage to prove reliability.

Structural panel will resist fire

THE new non-combustible marine bulkhead lining and cabin divider system which has been promoted by the Sankey Sheldon-Unistrut division of GKN Sankey over the past 18 months already is making a dent in the market held by such traditional materials as Marinite and other asbestos products in the marine field, according to James McDonald, our Shipping Correspondent.

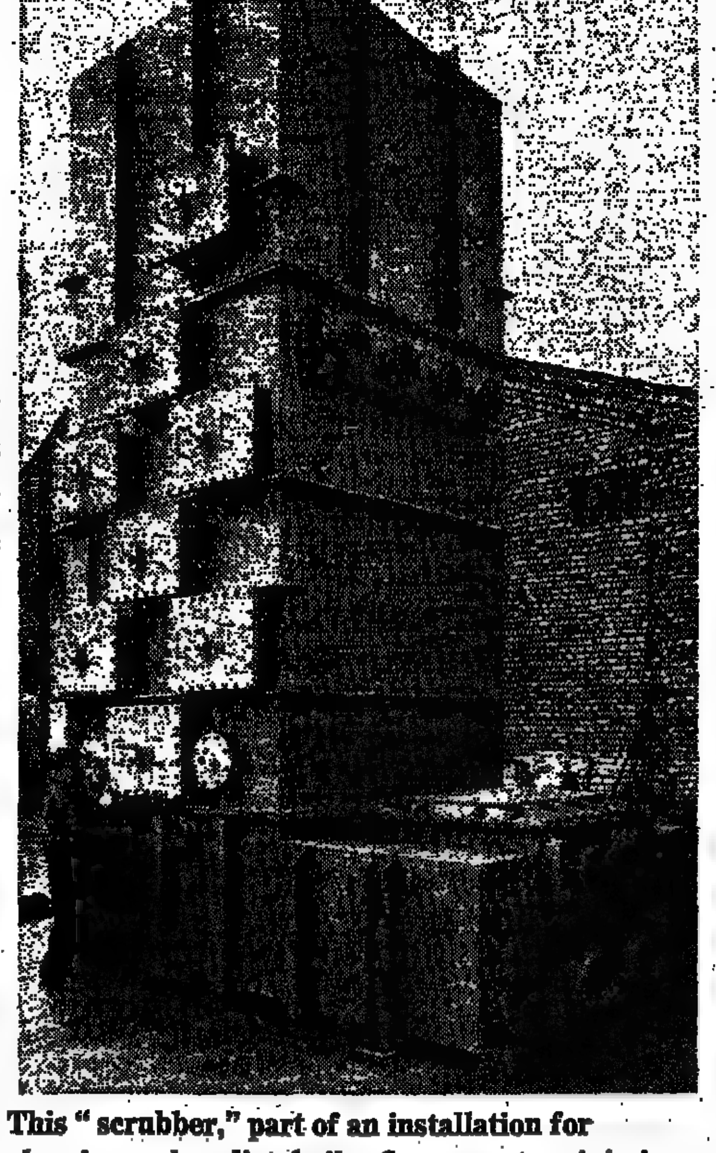
With little publicity the product has been accepted by a number of U.K. shipyards, including Harland and Wolff, Cammell Laird, Robb Caledon, Appledore and Swan Hunter, and by shipbuilders in North West Europe and in Greece. A further substantial order is believed to be imminent from Greece.

The Sankey Sheldon marine bulkheading system is based on panels composed of an insulating core sandwiched between steel skins. The cores are in two materials and several configurations to meet different fire-retardent requirements.

The company stresses that, although the basic product is more expensive than, say Marinite, it is competitive with such traditional materials on an installed cost basis because of its ease in working aboard ship. The panels can be cut and shaped with a simple bandsaw either on board or in the shipyard and there are no restrictions in cutting the materials due to dust formation.

One of the attractions of the product is that it provides a structurally sound panel which can be erected easily without additional structural members to reinforce the panel joints. This is achieved by specially stepped edges which interlock on assembly. The panels then lock together with patented tab keys which are inserted into edge slots.

GKN Sankey claims that this simple method of erection reduces by a considerable amount the normal time taken in building cabins and that joiners should be able to deal with the system with ease.



This "scrubber," part of an installation for cleaning and cooling boiler flue gases to minimise risk of explosion on a 250,000-ton tanker being built for Shell by Harland and Wolff at Belfast, has been lined with a special hard rubber by BTR Vitaline at its factory in Bredbury, near Stockport. It is the first of this type of plant to be lined and assembled by the company for Auckland Engineers, the specialist fabricator of Llanelli. The scrubber was designed by Peabody of 35 Clapham Park Road, London, S.W.4 and is the vital component of its marine inert gas system for purging tanks.

Fibre board fire data

CONSIDERABLE amounts of information exist in the building materials industry regarding performance of materials in fire and their compliance with relevant regulations. It is not always easy, however, to obtain such data in a form which assists rapid scanning and assimilation. The provision of such information about hardboard and insulating board materials is the aim of a new data sheet "Fire Test Performance" published by FIDOR — The Fibre Building Board Development Organisation.

Building regulations for structural fire precautions are commonly framed in terms of performance in the relevant test of BS 476 Fire Tests on Building Materials and Structures. The data sheet sets out the salient facts regarding performance of hardboard and insulating board in respect of the three most relevant tests: surface spread of flame (of decorated and undecorated, natural and flame-retardant boards); fire propagation; and fire resistance.

Copies from FIDOR at 6/7, Buckingham Street, London WC2N.

Sniffs out gas leaks

GROWING use of natural gas in town supplies can cause an increased risk of Ronan Point-type explosions both in public buildings and in residential dwellings. In France, where several disastrous explosions have occurred, this hazard is being overcome by fitting such buildings with electronic gas detectors, of a kind originally developed for safety precautions in gassy mines.

The equipment, produced by the Societe Française des Procedes Oldham, French subsidiary of the Haddon-Oldham battery group, has since been developed and adapted for many industrial and municipal applications. Various types of detectors are available—including the "Multicam," which automatically takes simultaneous readings from any required number of points in the building.

Multicam equipment to give early warning of fuel leaks has been installed at the Toulouse factory of SNIA, where Concorde and the European Air Bus are being built.

Each Multicam system has a small, lightweight, central display unit which indicates gas levels at up to 10 points within a 200 metre radius. Sensors connected to the central unit automatically monitor gas levels. On the display unit itself, a needle indicates the risk of explosion at each point monitored and, at a pre-set gas concentration, a visual and audible alarm operates.

Post Office and telecommunication cable tunnels in a number of countries are also being protected by gas detectors. The object is to avoid explosions due to town gas from nearby mains leaking into the tunnels.

A portable multi-purpose detector known as "Sentinelle," has been developed especially for the requirements of PTT—the French telecommunications service. It is expected that by the end of 1973 the PTT will have over 700 of these in service.

Another model—"Surveyor"—has recently been ordered by the PTT to detect possible gas leaks into the tunnel through which the main cables enter the central telephone exchange at Lisieux. Orders for these have been received from the telecommunications services of Belgium and Algeria.

Further information from Haddon-Oldham, Market Harborough, Leicestershire.

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● COMPUTERS

U.K. linked to giant network

NEWS THAT Britain and Norway had been linked up to the vast trans-U.S. ARPA computer network, and that users in the U.K. now can gain access to the largest existing computers on compuses and at research centres across America, was released at the NATO Advanced Study Institute meeting at Sussex University last week.

The small processor which allows connection to ARPA and some 30 American research centres is at the Institute of Computer Science in London. The project is led by Professor Peter Kirstein of the University of London.

That there is a need for such an experimental facility has been demonstrated by the amount of interest shown by computer and other research workers in this country. Indeed it seems as if London is going to operate a mini-network of its own. The SRC's 360/195 is linked into the network and has already been used on an interactive basis from the United States: 1,200 baud leased lines are due to connect in the Cambridge Computing Laboratory, AWRE, and the ARPA facility in Stuttgart.

Early next year the CAD Centre at Cambridge and the NPL at Teddington will also be connected. By the end of the month there will be seven switched lines operational and the indications are that a considerable number of other university and Government resea[rch] laboratory organisations in [the] U.K. intend to access the facil[ity].

In the meantime the pro[ject] continues to be funded o[n a] minimal basis and is still l[ook]ing for support funds which [are] expected to come from [the] Computer Board.

The SRC has refused supp[ort] effectively saying that it is n[ot] of their business. This is [in] line with the official nega[tive] attitude in Britain to comp[uter] communcations network stud[ies] and although 22 countries w[ere] represented at the NATO ev[ent] the Department of Trade [and] Industry and the Ministry [of] Defence were conspicuous [by] their absence.

Some complicated calculat[ions] now made public by AI[RPA] representatives indicate that [the] savings attributable to the us[e of] the ARPA net are already [con]siderable. The resource-sha[ring] that goes on means that al[most] every institution connected w[ould] have had to spend between [...] and four times as much on [pro]vision of local computing p[ower] as it would if the network [did] not exist.

ARPA executives indicate [that] the network costs $3.5m. a [year] to run but saves $4m. a [year] for its contributors and [this] though the network is, as [yet] only 25 per cent. loaded.

● INVENTIONS

Award will encourage innovators

TECHNICAL Development Capital (TDC) is sponsoring a competition to encourage potential profit-makers who plan to start a company, or expand an existing one, based on a worthwhile technological innovation.

The prize of £5,000 will go to the individual, or the team, submitting the best business plan. The judges will, in addition to assessing the innovation itself and its market and profit projections, place particular emphasis on the personal qualities of the managers of the project.

They will be looking for a combination of market knowledge, commercial acumen, technical capability and managerial promise.

The only rules for entries [are] that the product, process [or] service should already be lar[gely] developed and that an in[vest]ment of no more than £150,0[00 is] needed to take it through [the] production and initial marke[ting] stages and bring it to a br[eak-]even position in its third yea[r].

Technical Development Ca[pital] is a subsidiary of Industrial [and] Commercial Finance Corporat[ion] which, in turn, is owned by [the] Bank of England, the Eng[lish] Clearing Banks, and the Sco[ttish] Banks. ICFC invests some £[...] a year in small and medium-[sized] businesses and TDC has alr[eady] provided high risk ven[ture] capital for over 100 new or y[oung] companies in scientific in[stru]ments, computer hardware [and] software, plastics, and mac[hine] tools, among others.

The closing date for entr[ies to] the competition is Febru[ary ...] 1974. Copies of the rul[es and] entry forms can be ob[tained] from Peter Folkman at [...] Head Office, 7 Copthall [Avenue,] London EC2R 7DD.

● HANDLING

Telescopic boom cranes

THE BRITISH Hoist and Crane Company has introduced two additions to its Iron Fairy range of telescopic boom cranes.

The new machines are the Onyx, a rough terrain crane of nine-tons capacity, and the Sapphire Seven—a seven-ton capacity telescopic jib crane that can lift and carry a full seven-ton load.

In overall design, the Onyx is a smaller version of the Iron Fairy Cairngorm. It has a high power-to-weight ratio, evenly distributed overall weight, and a twin-disc two-range torque converter.

With its large diameter tyres, high ground clearance and sharp approach and departure angles on the chassis, says the company, the Onyx can travel over soft or deeply rutted ground, and can wade through water or liquid mud up to two feet deep. It can get from site to site under its own power and the driver can combine two-wheel drive [...] wheel drive with eith[er ...] wheel steer or four-whe[el steer]. Doorways only 10 feet [...] high can be negotiated.

The Onyx can be [supplied] with either a 62 feet 10 [inches] boom configuration — a 4[...] 10 inches fully powered [...] section boom plus 15 feet fly —or with a fully powered [...] section boom extending 34 feet 10 inches.

The Iron Fairy Sapphire Se[ven] is a seven-ton capacity mo[bile] crane designed primarily for [use] in industry and plant hire fie[lds]. It will travel with a full seven[-ton] load, and can carry loads of u[p to] 5¼ tons through doorways [less] than 8 feet 9 inches high. Th[ere] are no outriggers and all lift[ing] is carried free-on-wheels.

The Sapphire Seven tra[vels] complete with a three-sect[ion] telescopic boom which exte[nds] to 35 feet 8 inches. At the m[axi]mum radius of 31 feet 6 inc[hes] it will lift 1.26 tons. A 12 [...] fly jib is available as an opti[onal] extra, and extends the boom [con]figuration to 47 feet 6 inches.

The British Hoist and Cr[ane] Company of Compton, Berks, [is] a member of the 600 Group.

Building and Civil Engineering

CONSTRUCTION OVERSEAS [printed as "NSTRUCTION OVERSEAS"; cut off at the edge]

[armac buys into Europe

·TH NEARLY 20 per cent. of total turnover of £200m. ·erated outside the U.K., ·mac is perpetually being ·red opportunities to expand overseas interests.

Iowever, although the com- ·y fully intends to increase foreign involvement — ·ticularly in Europe—it is ·ermined to do so only at a ·e at which there is manage- ·nt in depth to cope. In this ·, Tarmac believes, the long- ·m future of such business will assured.

'he overseas activities ·brace roadstone manufacture ·l laying, mastic asphalt, ·lding and civil engineering ·l process engineering. ·hough these activities have ·entially represented growth ·m within the company in the ·s developed countries, Tarmac ·i also expanded in the ·eloped countries, primarily ·rope, through acquisition.

'armac is devoutly European ·h an aim and strategy to ·ther its main U.K. operations a Continental context, and it ·s, in fact, through the indirect ·rchase of a European com- ·y that the group first became ·olved in roadstone outside ·tain.

This was in 1968 when Tarmac ·rged with Derbyshire Stone ·ich, through the Neuchatel ·phalt Company, had for many ·rs been active in Europe, ·stralia and New Zealand. The ·ter two interests were ·posed of as they lacked ·ugh potential to merit man- ·ment at such a distance. ·out the same time, Tarmac ·ended its construction ·ivities overseas.

·n Europe the company is operating all its principal activities, with roadstone the main interest and chiefly directed at Germany.

Earlier this year Tarmac was successful in acquiring for £3.5m. —and against keen competition— the asphalt manufacturing assets of two German businesses in the Rhineland which wanted to divest themselves of these particular operations.

The end result of this move, the opportunity for which arose partly as a consequence of British entry to the EEC, is that Tarmac is now the third largest asphalt manufacturer in West Germany. The deal itself involved the acquisition of 29 modern asphalt plants with an annual output of over 2m. tons of blacktop materials.

This year's German investment followed from a historical involvement in the country through Asteer, road surfacing and general road contractors in Bavaria for 100 years, which Tarmac took over and is expanding geographically by adding more asphalt plants.

Behind all these purchases in Germany there lies a clear strategy. In the U.K., over a period of many years, Tarmac has acquired strategic resources of aggregate and markets them through a series of end-uses, the most important of which is black-top and surfacing.

Having gained a relatively strong position in the manufacture of asphalt in the German market, the intention is to expand both into other areas and to build a fully integrated roadstone surfacing business comparable to the ones operating throughout the U.K.

Tarmac points out that, in many areas, the asphalt manufacturing industry in Germany is highly fragmented and feels there is opportunity to concentrate production in bigger units with consequent lower costs.

The mastic and waterproofing interests are primarily directed at France, arising from the acquisition of SPAPA (through Derbyshire Stone) which has a long term contract with the City of Paris. Tarmac hopes to expand the scope of this company and is actively looking at opportunities for quarrying and roadstone in France. The company's other European centre is Switzerland, where it owns an asphalt mine, three asphalt plants in different areas, and is shortly going to build a fourth.

On the construction side, the company is not yet permanently established in Europe although it is carrying out nearly £2m. of work a year in Holland and Belgium. However, this is the ultimate aim and it will probably be through the acquisition of a minority holding in a construction company with, possibly, options to take over 100 per cent.

Tarmac believes that local involvement and knowledge is vitally necessary to complement the management skills and expertise which it feels it can provide in the European scene.

The company agrees with Bovis Construction that enormous opportunities exist in Europe for project management and has operated in the Low Countries for the past four years on this basis.

With the company's multifarious set-up on the Continent, it *might reasonably be asked:* why not a Tarmac Europe? This could happen, but—apart from fiscal reasons—the company argues that the best approach at present is to harness a like activity in one country to the management that has the expertise for that activity in another country.

The construction interests have been concentrating in the Middle East, but work has also been carried out in Africa, Russia, South America and the Far East. The Middle East organisation, with a regional office in Dubai, has been built up over the past five years and now has an annual turnover of between £5m. and £10m.

The general building and civil engineering activities are supported by specialist expertise—in process engineering, and tunnelling following the acquisition of the Mitchell interests—which Tarmac operates on a world-wide basis. The Roadstone division has a team dealing with one-off surfacing contracts world-wide—it recently surfaced the Bosphorus bridge—and the Far East offers attractive prospects here.

Roadstone and surfacing activities are well established in South Africa, where they now hold the major share of the asphalt market and are expanding their interests in sand and stone production.

Tarmac has, in addition, entered the property development overseas stakes, and is currently in the throes of its first such project, an office block in Brussels.

JOHN DARLINGTON

Precast drainage channels, cladding and fascia panels said to cost no more than similar products in conventional concrete are being produced in polyester resin concrete by Whaley Agresin, Oakesway, Hartlepool, Co. Durham. The resin concrete called Agresin, is made entirely without cement and consists of aggregate mixed with "Beetle" polyester resin supplied by BIP Chemicals (Turner and Newall). The high strength/weight ratio obtained results in products which can be one-third as light, or four times stronger, and more resistant to chemical attack and weathering than conventional concrete parts, says the company. Drainage channels made from "Agresin" can handle most liquid effluents as well as surface rain and waste water. Whaley Agresin has opened a plant for the continuous production of building components from this material which the company thinks will, eventually, replace conventional concrete in many applications.

Runway at Turnhouse

A NEW runway at Edinburgh's *Turnhouse Airport is to be constructed at a cost of £3.25m. by W. and C. French for the British* Airports Authority.

The runway will be situated immediately to the north of the airport and comprises two 360-metres by 45-metres-wide pavement quality concrete sections with turning area and taxiways. The works, which include drainage and services and the erection of four single-storey electrical sub-stations, will take 27 months to complete.

Meanwhile, Asteer Bau, a German subsidiary of Tarmac *Roadstone Holdings*, has been awarded a £600,000 contract for surfacing work at Berlin's Tegel Airport.

Asteer's 42,500 square metres *of surfacing on the new freight* handling, bunkering, aircraft servicing and hangar areas is part of a rebuilding programme which will enable Tegel Airport to handle 5m. passengers and 40,000 tons of freight a year.

Half the surfacing at Tegel, which will supersede Templehof as Berlin's principal airport, will be in blacktop with mastic asphalt wearing course. The remainder will be in interlocking concrete paving.

Appointment in Italy

S.A.I.P.E. (Societe Anglo Italia per L'Ecologia), a company formed earlier this year in Italy between London-based consulting engineers Sandford Fawcett, Wilton and Bell, and professional Italian engineers, has been awarded its first appointment in the Public Health Engineering field.

The appointment, with the town of Viadana in the Mantova region near the River Po, is in two parts. The first is for a comprehensive survey and report on the sewage treatment needs of the town—which has a population of about 20,000, with many trade waste-producing industries—including the trade wastes.

The second part of the appointment is to cover in detail the problems raised in the report such as the evaluation of schemes put forward by the industries for dealing with their specific pollution problems, as well as proposing specialised works for the Municipality to control pollution.

In brief

A. MONK and Co. has won a £1.8m. contract for the construction of roads and allied structures for the Stamford Street/Old Street diversion (A635), Ashton-under-Lyne, Lancs.

HOLST AND Co. (Northern) has received a £1.4m. order for the design and construction of civil engineering works associated with the new coke oven complex being built for the British Steel Corporation at Redcar.

LOVELL HOUSING of Marlow, Bucks., a member of the Lovell Construction group, has been awarded a further contract valued at £404,000 by Hoddesdon Urban District Council for the construction of timber frame *flats and houses*.

MEARS CONSTRUCTION is to build a £287,000 adult training centre, hostel and outbuildings at Rainhill, Lancs., for Lancashire County Council.

A £180,000 contract has gone to Norwest Construction (Civil Engineering) for the design and construction of an office block in Bootle, Lancs., for Skelly's (Merseyside).

Laing wins £5.5m. work in Scotland

THE MAJOR part of the building programme—a £2.5m. contract—for a new civic centre complex in Aberdeen has gone to John Laing Construction, which has already started work.

The scheme, on a 14-acre site at Westburn Road, has been planned to supersede the council's existing offices in 11 buildings scattered thoughout the city and is scheduled for completion in June 1975.

Laing has the task of completing a four-storey block with a combined floor area of about 150,000 square feet to house the entire office staff of the county council. The project also includes the erection of a single-storey bank and a two-storey office block.

Elsewhere in Scotland, Laing has won a £1.9m. contract from East Lothian County Council for upgrading 452 pre-war houses, while a £575,000 job for British Home Stores involves the building of new four-storey retail premises in Phase Three of the town centre scheme at East Kilbide, Lanarkshire.

Whitbread delivery centre

HOLLAND, HANNEN and Cubitts (North West) is to build a £1.4m. delivery centre for Whitbread, the brewers, on a 15-acre site at Shadsworth, near Blackburn.

The centre will have vehicle loading bays at one end, a warehouse and storage area in the centre and, at the other end, a complex consisting of a tanker unloading bay, a bright beer processing department, a packing area and a small laboratory.

Construction, which began last month, is expected to take 18 months and consulting engineers for the project are Brian Moorehead and Partners of Altrincham.

Conder wins tax office contract

UNDER A £1m. contract from *the Department of the Environment*, Conder (Scotland) is to erect the steel shell of a new Inland Revenue tax office at Cumbernauld in Scotland.

The £5.5m. development, for which a main contractor has not yet been appointed, is being built in three phases using the Conder "Kingsworthy" method of construction. It will house general offices, a computer suite, welfare facilities and service and storage areas.

Oil tanker terminal by Kier

A CONTRACT valued at nearly £7m. for the design and construction of a tanker terminal at Holehaven Creek, Canvey Island, to serve the new refinery being built there for Occidental Refineries, has been awarded to Kier.

The six-berth terminal will have an approach reaching out 1,400 metres from the shore. The berths are designed for a range of vessels from 1,500 dwt to 263,000 dwt and 15 mooring dolphins are included in the contract. Loading and offloading crude oil and products will be by 25 loading arm to be supplied under a nominated sub-contract.

Kier will also carry out the mechanical and electrical work for the project which should be completed in two years' time. It has been designed by Parsons Brown and Harris.

Acquisition by Mowlem

MOWLEM HAS acquired E. Reader and Sons of Alfreton, Derby, formerly a subsidiary of Sturtevant Engineering Company, for £100,000.

E. Reader specialises in pressure grouting, ground anchors, drilling and the hire and sale of its own range of grout pumps and mixers. The company will become a wholly-owned subsidiary of Soil Mechanics, a member of the Mowlem group.

The deal was arranged through Chesham Amalgamations and Investments.

Crack-free concrete

HIGH STRENGTH concrete structures free from shrinkage cracks can be fabricated with the aid of an expansive additive developed by Onoda Cement Company, of Japan, the manufacturer claims.

Designated Onoda Expan, the product effectively compensates for natural shrinkage in cement mortars and concrete. When added to standard concrete mixes at a level of 8 per cent. based on cement content, higher compressive strengths than those available with plain concrete are obtained under restrained conditions.

Based on a lime system, Onoda Expan is replacing calcium sulpho aluminate expansive additives in Japan where particular importance is attached to crack-free structures due to subterranean disturbances.

Currently under evaluation by the Cement and Concrete Association, the product is available for the first time in Europe from Onoda's agents, Richard Peel and Company, 9 St. Mary's Street, Wallingford, OX10 0EL, Berks.

Help for laymen

A NEW booklet from the Brick Development Association—"An Outline of Housing and Planning"—has been prepared mainly for laymen serving on local authority planning committees.

The booklet provides a concise description of the administrative and legislative aspects of housing and planning at national and local level together with glossaries of terms commonly used in design and construction. Copies will be circulated throughout the country when the councils are reconstituted at the beginning of next year.

The BDA has also published an updated version of "The Design of Calculated Loadbearing Brickwork" with all calculations now given in metric.

The first publication is available free of charge, the second at 25p, from the Brick Development Association, 19, Grafton Street, London W1X 3LE.

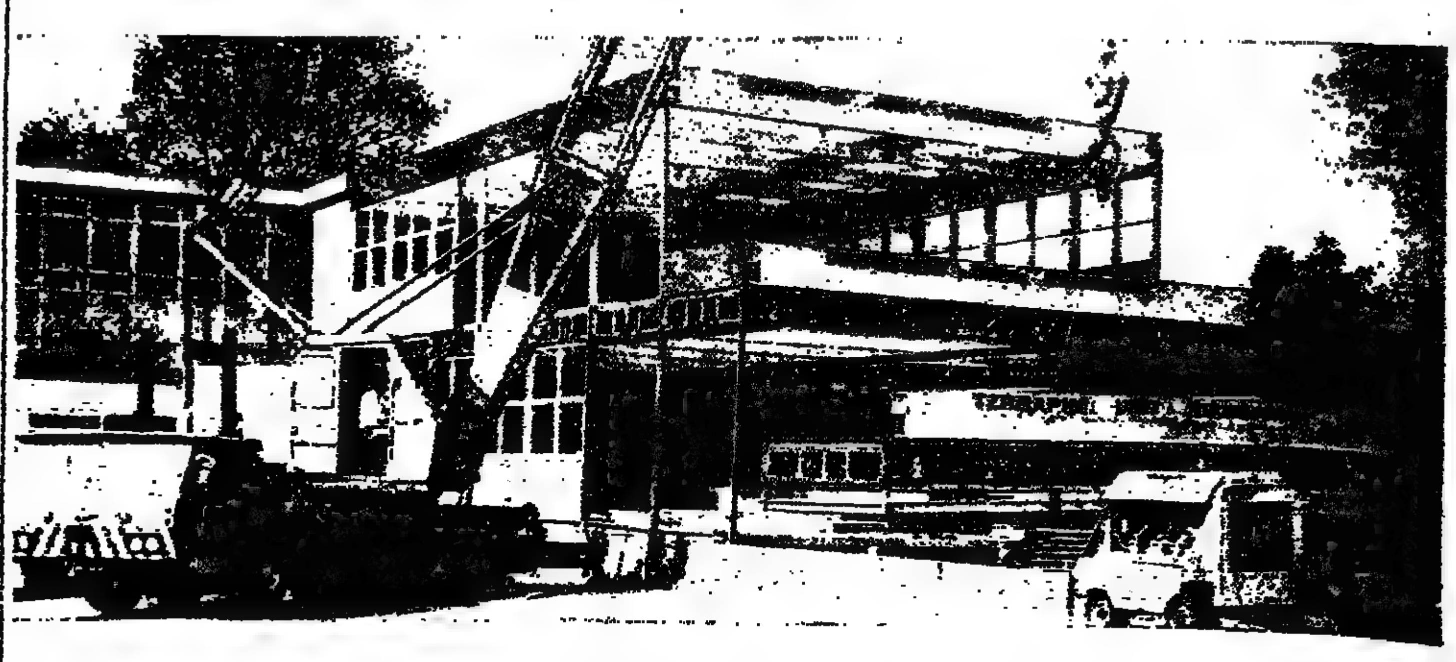
Inspecting platforms

UNIT INSPECTION Company of Swansea, part of the British Steel Corporation's Tubes Division, has won a contract from Conoco, operator for the Conoco/National Coal Board Group, for the underwater inspection of five fixed platforms in the Viking Field, 86 miles off the Lincolnshire coast.

Using non-destructive techniques, the work will take between one and two months and will be the first phase of a routine programme to ensure the future integrity of the oil platforms.

Underwater television experts will make a video film of the submerged sections of the platforms together with detailed sequences of non-destructive testing operations.

Unit Inspection is working on the contract in co-operation with North Sea Diving Services and Underwater Security. Elsewhere the company is currently carrying out site testing of the construction of three platforms—two for the British Petroleum Forties Field, and one for Shell's AUK Field.



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MONDAY SEPTEMBER 17 1973

Profits and investment

WITH the Government due to hold further discussions with the CBI to-morrow, more attention is being devoted to a crucial area of the Phase Three debate—the role of profits. The large and sometimes spectacular increases in profits which have been reported by industrial companies over the last few months may have given the impression that manufacturers have been enriching themselves at the expense of consumers and employees, and that controls on prices and profit margins should be made much tighter in Phase Three. This is, of course, a distortion of the facts. Quite apart from the point that opportunities for personal enrichment have been limited by control of dividends and of salaries, much of the improvement in profits has been due to recovery from recession and the consequence of fuller capacity utilisation.

Downward trend

In real terms, as the CBI is right to emphasise, profits are still too low. There has been a long-term tendency for profits to decline as a proportion of national income and this was particularly marked during 1971 and 1972. During these years pre-tax trading profits came out at 6.6 and 6.7 per cent. of national income, compared with figures in the 12-13 per cent. range ten years earlier. The drop in profitability, moreover, is more than just a cyclical phenomenon. Figures produced by the Monopolies Commission have shown that there has been a constant downward trend in the profitability of manufacturing industry since the beginning of the 1950s.

Everyone accepts that a higher level of capital investment is an essential ingredient in economic growth, and that the confidence apparent in recent surveys of capital spending intentions must be maintained during 1974. This will not happen if profits are held back too severely. While the anticipated level of demand may be the most important single determinant of a company's investment decisions, no company will expand unless it sees an adequate return on its investment. Anxieties expressed in recent weeks by the chemical industry and others suggest that excessive restrictions on margins could jeopardise investment programmes however strong the expected demand.

Profits provide the main source of funds for investment, supplemented by external sources of finance. With interest rates at their present high levels the need to generate internally funds for investment is all the greater. Moreover, even companies with a high internal cash flow will tend to seek investment opportunities outside U.K. manufacturing unless the prospective returns are high enough.

The CBI has laid particular stress on the inhibiting effect which the Government's current price controls are having on profitability. It has made the point that when costs per unit of output rise the full extent of the increase cannot be taken into account in calculating price rises. Some costs, which may represent 30 per cent. or more of the total, are not allowable at all, while others are subject to the productivity deduction. Price increases granted under the present rules, based on allowable costs incurred since September 30, 1972, cannot prevent a drop in profit per unit of output. The CBI claims that unless the company can increase its production volume by a really dramatic amount, of the order of 25 per cent. or more, there is no chance of the company even maintaining profits at the pre-Phase Two level.

Limited scope

With most manufacturing industries having already reached full capacity operation, or fast approaching it, the scope for these spectacular gains in production volume is greatly reduced. Those cyclical industries which suffered severely during the recession, such as chemicals and much of engineering, need the boost to profits which the economic expansion should normally provide.

These are factors which the Government must take account of in the formulation of Phase Three. While some overall control of prices is necessary as part of the package, it must be designed to accommodate profit margins which will stimulate and maintain industrial investment.

The obstacles to liberalisation

COMING hard on the heels of the launching of a new round of trade negotiations in Tokyo, the revaluation of the Dutch guilder highlights the intimate relationship between trade and monetary affairs, though not perhaps in the sense intended by the French when they were doing battle with the Americans on the eve of the Tokyo meeting.

M. Giscard d'Estaing was trying to ensure that there would be no commitment to trade liberalisation until the U.S. agreed to a reform of the international monetary system. But one of the major uncertainties in the monetary field concerns the role of the Community in a reformed world system, and the Dutch move is bound to cast additional doubts on the prospects for early progress on monetary integration in Europe. If European governments are hesitant about trade liberalisation, it is partly because their own monetary relationships have not been stabilised.

Laborious

The only immediate consequence of the Tokyo conference is that the officials who prepared it so successfully can now reconstitute themselves as the Trade Negotiations Committee, which will hold its first meeting on October 24. But thereafter the going is likely to be slow and laborious, since their task will be to solve all the problems which were glossed over in the vague phraseology of the Ministerial declaration.

The first of these problems is to fix, in more precise terms than the Ministers were able to do, the aim of the negotiations in the field of industrial tariffs. Everyone agrees that, for the sake of simplicity, there should be some general formula or formulae. But whereas the Americans are in favour of uniform percentage cuts across the board, the Europeans are anxious to secure bigger proportional cuts in the high American tariffs, and want some system which would lead to harmonisation of international tariff rates.

It may be that the balance will be tilted in favour of harmonisation. One of the first actions of the Trade Negotiations Committee will be to set up a computer study of the effects of harmonisation. One cannot pre-judge the findings of the study, but the fact that it is being carried out jointly suggests that the U.S. is not irrevocably hostile to the idea.

The other problems are more intractable. It has been agreed that the negotiations must cover agriculture as well as industry, but there is no agreement on what the agriculture chapter would involve, not least because the French are determined that it should not involve any infringement of the Community's common agricultural policy. It has also been agreed that, as a corollary of a further cut in industrial tariffs, there should be some improvement in the safeguard rules, to allow importing countries to take protective action against disruption of their domestic markets. But it will be difficult to strike a fair balance between importers and exporters, especially if importing countries claim the right to discriminate against individual exporting nations, as the Confederation of British Industry has argued.

Timetable

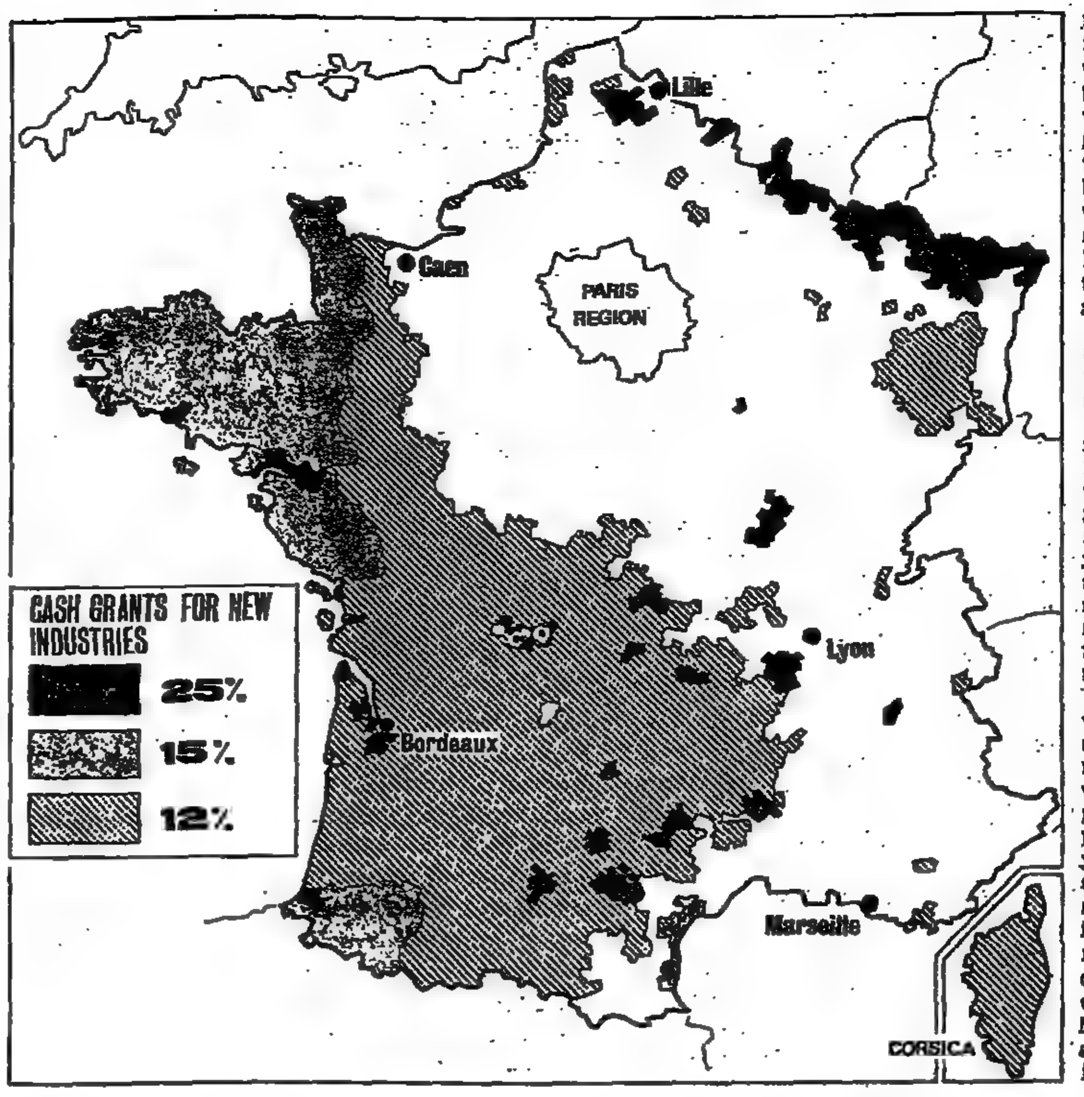
In principle the negotiations are due to be completed by the end of 1975. But even before last week's meeting had been concluded, some Ministers were openly predicting that the negotiations would over-run into 1976. Even so, that would be shorter than the Kennedy Round, which lasted over four years.

The vigorous regional affairs office in Paris seems determined not only to do without large-scale foreign investment, but to get back from the EEC Fund as much as France puts in—with no strings attached Roy Hodson, Regions Editor, reports

France likes to solve its own regional problems

"UNLIKE certain neighbouring countries, we believe that the essence of economic development must come from our own national industry," M. Jerôme Monod, the man responsible for France's regional development policies, said at a Financial Times conference in London during the summer. He was not just having a go in Gallic fashion at other Community members. It was a carefully weighed remark, and from it can be gleaned the total French position towards its own regions and the evolving European regional policy.

M. Monod is the head of Datar, which stands for the Délegation à l'Aménagement du Territoire et à l'Action Régionale. He leads a team of professionals who manage France's regional affairs from a charming old house in the shadow of the Eiffel Tower. Businessmen and local politicians wait in the corridors seeking support for pet schemes. Datar is proud of the fact that it has never grown beyond 100 people, including typists and drivers, during its first ten years: "We travel a lot and use the services of the Prefects in the regions."



Priceless asset

The small organisation in the cramped headquarters has one priceless asset which ensures its effectiveness in promoting and, if necessary, imposing development schemes upon departmental France. It has power. Although nominally under the wing of the Minister for Equipment, Housing and Tourism, Datar is under the personal supervision of the Prime Minister of France. He and M. Monod meet at least once a month and jointly direct the work of the team.

France has enjoyed one of the highest economic growth rates in the Western world during the past ten years. During the first half of this year industrial production has been rising at an annual rate of nearly 10 per cent. The OECD expects an annual growth in productivity of more than 5 per cent. for several years to come. Meanwhile, the price of land remains comparatively low and more than 1m. useful workers are expected to be released from agriculture for industrial work during the next 12 years.

Economic expansion has been achieved so far without much foreign investment in comparison with the rest of Europe. According to U.S. Government figures, U.S. investment in France up to end-1970 was half that in Germany and one-quarter that in Britain. The strategy of the French Government, to be implemented by Datar, is to continue to relegate foreign investment to, at best, a minor role in the future expansion of France and, meanwhile, to develop France's own industries to make best use of the impressive human and natural resources available. M. Monod gives priority to the following sectors: mechanical, construction, chemicals, electronics, telecommunications, agriculture, and the food industries.

Wholesale moves

The French have learned the trick of moving industry about the country wholesale in order to help the poorer regions and to take the heat out of booming areas. In fact, the only part of France which has suffered from serious "over-heating" is the Paris region. And the Datar team has a special weapon to deal with that problem. It has specific powers of full control of development in the Paris region in addition to its wider function of promoting nationwide development. Those powers are being applied with increasing toughness. As a result, Paris's share of new industries has fallen dramatically during the last few years to a point at which industrial employment in the region has been stabilised. In the rest of France it is rising by an average of 10 per cent. a year.

Heavily dependent

The two most significant industrial movements in France have been the almost total transplanting of the steel industry from the Lorraine and other inland sites to Dunkirk in the north and now to the Fos industrial centre being built on the Mediterranean; and the dispersal of the motor-car industry from the Paris region into Northern France and Britanny. Whereas the Nord-Pas-de-Calais region, the corner of France most convenient to Britain when the Channel Tunnel is open, has been heavily dependent upon coal, textiles, and agriculture, the fastest growth sector there in the years ahead will be car manufacturing. Renault, Chrysler, Firestone and Michelin are all there now and they will be employing some 30,000 people by the end of the decade.

France's biggest exercise in government intervention in industrial development — some would say France's biggest gamble—is, however, the Fos project. When the Dunkirk steelworks was firmly established and the question of removing virtually the other half of the inland steel industry to a coastal site was considered the planners looked at Le Havre, Brest, Bordeaux and the Marseille area. The choice was narrowed to Le Havre and Fos, then an area of sand, scrub, and lagoons to the east of Marseille just on the edge of the wild Camargue country. The Government saw in Fos the elements of a grand design to industrialise southern France.

To-day Fos, which is being co-ordinated by Datar and is under the direct management of the Port of Marseille Authority, represents in its entirety the biggest industrial development going on anywhere in the western world. Constituent parts include deep-water tanker terminals, several refineries, petro-chemicals manufacturing industries, a new dry dock for 800,000-tonners which is being scooped out between Fos and Marseille, and —the centre-piece of the whole complex—the Solmer steelworks being built alongside the new sea terminals. The blast furnaces and basic oxygen converters are nearly finished. By the end of this year the steel works will be moving up to its first production level of 3.5m. tons a year. By 1976 output will be increased to 7m. tons a year which is considered the minimum for viability. At both the Fos site and Datar headquarters they are forecasting 14m. tons a year in the middle 1980s.

Clearly the scale of Fos and all its outworks goes far beyond the sort of planning needed simply to correct a regional imbalance. The French Government is providing some 100m. francs a year for infrastructure works alone at Fos. The total project is costing the Government far more than that each year, of course, in various ways and the spending will go on for many years yet. Private investment capital, cash flow from trading, and bank loan support the remainder.

A number of southern workers are being trained as steelmen up in the Lorraine to man the Fos works, and enough workers from Lorraine are prepared to move south to see the plant run-in during the early years. The Fos project in its entirety represents a Government conviction that massive industrialisation of the Mediterranean coast can be achieved by coaxing workers traditionally engaged in commerce round Marseille, or in the vineyards and the farms of the Carmargue, into an industrial way of life.

To the planners, Fos itself will be only the beginning. The intention is to allow the spread of industrialisation to flow steadily northwards from Fos which is at the mouth of the Rhone to Avignon and beyond until, when the Rhone is canalised to the German border at Strasbourg by the early 1980s, there will be the makings of a new French industrial belt running the length of the river from south to north.

Excess of exports

Meanwhile, Marseille-Fos will have become the principal modern industrial centre supplying the needs of the nations bordering the Mediterranean basin. Even in these early years that is happening. Companies already manufacturing at Fos, including Imperial Chemical Industries, are finding in some cases that their export business far exceeds their trading with the French hinterland.

So convinced is the Government that the Fos-Rhone industrial belt will develop fast that Datar is already concerned with counteracting some of its effects. At Datar there are five commissioners concerned with the French regions: West France, North France, Easte[rn] France, the Massif Central are[a] and the Mediterranean. T[he] Mediterranean commissioner [is] working for an east-west spre[ad] of new activity either side [of] Marseille-Fos "to spread t[he] prosperity." Ideally, he wo[uld] like the total development [to] have a chain reaction as far [as] the Spanish border wh[ere] France finds the relat[ive] prosperity of the north[ern] Spanish industrial towns [a] rather embarrassing contrast [to] the poor districts of Fre[nch] Catalan.

The only problem areas [in] France which will not, it see[ms,] be directly or indirectly affec[ted] by the long-term developm[ent] of Fos and the Rhone will [be] West France and Britanny.

Peripheral areas

The scale of management [of] French regional developm[ent] does not appear to leave a gr[eat] deal of elbow room for Bruss[els] to practise a developing Eu[ro]pean regional policy in Fran[ce.] The French attitude comes o[ut] quite clearly in respect of [the] areas which Brussels may [be] willing to regard [as] "peripheral" and therefore [in] need of Community help—pr[ob]ably Brittany, south w[est] France, parts of the Ma[ssif] Central, and Corsica, and p[os]sibly some districts of north[ern] France. The French Governm[ent] would welcome additional [aid] from the Community Fund [in] addition to its own continu[ing] aid to assist the development [of] those regions. But it [is] adamant that the Fund sho[uld] be managed essentially by [the] member states themsel[ves] rather than by Mr. Geo[rge] Thomson and his men [in] Brussels.

The Commission is propos[ing] that next year, the first year [of] the Regional Fund, there sho[uld] be a budget of 500m. units [of] account (a Community unit [of] account is worth roughly [£]4[...] at the present time); in 19[75] there should be 750m. units [of] account, in 1976 1,000.

About one-third would [go] towards the intractable proble[m] of Italy's Mezzogiorno. Germa[ny] would contribute much [but] receive little. That would lea[ve] more than half the Fund [to] assist regional problems [in] Britain and Ireland, France, t[he] Benelux countries and De[n]mark. It is the Commissio[n's] collective wish that natio[ns] should not simply be hand[ed] back what they pay in. In Co[m]mon Market jargon, the Co[m]mission rejects the principle [of] *juste retour*. But it looks ve[ry] much as though France will [be] seeking almost a full return [on] her contribution and, moreove[r,] freedom of action to use it [as] she likes.

MEN AND MATTERS

Kearns moves up via Europe

With a daunting series of EEC and GATT negotiations coming up (the Common Agricultural Policy battle with France being the most dramatic of them) the appointment of Freddie Kearns as Second Permanent Secretary at the Ministry of Agriculture, Fisheries and Food looks like pinning a medal on the general before he goes off to war. Except that Kearns has already been an international negotiator, sometimes in a very war-like manner, for much of the last three years.

He was our food man on the EEC entry negotiating team, gaining a reputation for getting wilier and tougher as the Brussels nights wore on. In the final stages of the New Zealand butter talks, determined to get an extra 6 per cent. on the quota, Kearns is thought to have taken the ultimate negotiating stance of saying that if we did not insist on the extra amount he would quit, and he won his point. Not a man to hide his impatience when talks are bogged down, once when a Minister was making polite noises about a morning session of useful and progressive exchanges, Kearns stage whispered that proceedings had actually been "totally confused and meaningless."

The occasion for Kearns's promotion is the increased work involved in two of his responsibilities since he returned to the Ministry after the entry talks, external affairs and the counter-inflationary programme. Within the Ministry, the move will be popular, not just because, for the first time, it rates Agriculture, Fisheries and Food as worth two Permanent Secretaries, but also because Kearns has been within the Ministry since 1947. When the top job became vacant, at the end of last year, it went to a Treasury knight, Sir Alan Neale.

It is a sign, perhaps, of the agricultural times, that both the Ministry's top men are now best known as international negotiators, Neale having been in the thick of several monetary tussles in the past. With, in Kearns's words, "Brussels virtually an extension of Whitehall and food and agriculture close to the heart of any international arrangements or trading agreements," the two have plenty of negotiating ahead. But Kearns may hope for more sympathetic ears within the EEC, now, as he says, that "everyone of the Nine has an inflationary problem."

Travelling man

Anthony Barber has left for Africa—first for the Commonwealth Finance Ministers meeting in Dar Es Salaam, and then a rallying of EEC Ministers before the IMF itself starts in Nairobi to-day week—as already our most travelled ever Chancellor. His foreign commitments, which left the preparation of this year's Budget as little more than a hurried interlude between international worries, are known to have occasionally irked him.

He has, nevertheless, become the second longest serving of the 13 Chancellors since the war. Barber started in July, 1970, on the death of Iain Macleod, and has just passed Roy Jenkins's 1967-70 stint of three years, one month. Should he stay with the job, his next milestone would be passing the four years, two months served by Lord Butler from 1951 to 1955.

A little over three years in a job might not seem overlong. But among the Finance Ministers gathering for the IMF, Barber will have only one colleague, Giscard d'Estaing of France, who was also there to sign the Smithsonian parity agreement of December, 1971. That the other eight signatories (from the Group of Ten) have already changed jobs might be seized on, by some mean-minded types, as an indication of Smithsonian permanence.

Demarcation

The advent of self-service petrol stations seems to have confused the status of those garages where there is still an attendant working the pumps. For example, a woman colleague drove into Kenning's garage near Holland Park, London, to fill up. On driving off, she quickly noticed a smell of petrol and discovered the filler cap was missing. Two minutes later she was back at the garage. The pump attendant said: "My job is to put petrol in, not put filler caps back on." A woman in the garage office said: "What do you expect? This is not a service station." Absolutely.

No rush to market

Even in these dismal stock market days, companies still think of going public as a way to making acquisitions. Twinlock, supplier of filing and retrieval systems, visual aid products, microfilm equipment, etc. is one with such ideas, its chairman Robert Hutton saying that making a major acquisition would be the main reason for a flotation. He thought of it once before, but then profits dropped at the crucial moment in 1969. As it is, the 350 Twinlock shareholders can trade their shares through an over-the-counter market made by investment bankers M. J. H. Nightingale. It is, in fact, quite an active market, and lack of a Stock Exchange quote has not stopped Twinlock expanding by acquisition, the buying of another public but unquoted company, British Pens, being the 11th during Hutton's chairmanship.

He came to the job in 1964, aged 28, on the sudden death of his father, explaining the succession as "What we hope is the good face of nepotism." Turnover then was £2.3m., which had grown by last year to £7.5m. with pre-tax profits of £677,200. So that as 38 Hutton can say the nepotism has worked quite well.

For the moment, Hutton says Twinlock has plenty to do absorbing its two deals in the past month, bidding for and winning British Pens, and joining Twinlock's Dutch and Belgian units with G. C. T. Van Dorp, of Amsterdam, so that Twinlock now holds 45 per cent. of the Dutch company. British Pens, a pioneer of the split-nib market in the past century (it still holds a virtual monopoly of dip pen sales here), adds 48 per cent. to Twinlock's net tangible assets, plus profits running at nearly £200,000 last year.

So going public (the Hutton family holds more than a third of the shares, with a third also held by people working in the group) will still have to wait a while, particularly as Hutton thinks his over-the-counter market "substantially more logical than the Stock Exchange" in its present mood.

Très splendid

As the centre of Euro-speak, Brussels is now lined with estate agents' boards which describe empty office blocks as "Bureau de trè grand standing."

Observer

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FINANCIAL TIMES SURVEY

Machine Tools

FINANCIAL TIMES SURVEY

Machine Tools

Plessey engineers have been working shifts to complete the new NC controls which will be exhibited for the first time at the Hanover Exhib which opens to-morrow, Tuesday, and continues until September 27.

Picking up steam again

By COLIN JONES

The appalling conditions of 1971, when machine tool markets collapsed virtually the world over and orders received by the British industry plummetted further and faster than anyone can recall since the desperate days of the inter-war slump, are gradually receding into painful memory. The problems the tool makers are now experiencing are quite different—shortages of manpower, materials, and components and in some cases a shortage of plant capacity too. But, as one company chairman has said: "If we have to moan, thank God we now have these problems to moan about."

Turning point

Looking back, it becomes even more apparent that the turning point in the home market occurred some time around March last year. By then, the decline had all but bottomed out or as one tool maker at the time said: "Things are very gradually getting a little less horrible." The orders total for the second quarter of 1972 was the first for almost a year and a half to show an improvement in current prices on the year before. Then came the £15m. worth of special advance orders placed by public authorities which had been announced by the Government in the early spring and summer—a typical example of pump-priming coming too late to be of maximum help. This led to a doubling of the order flow between the June and September quarters. But the underlying improvement without this special boost was probably at least a third in current prices on 12 months before.

By the last quarter the improvement on an annual comparison had jumped to almost 90 per cent. The latest official figures which take the story only up to February this year—this is because the methods of collection and presentation have been overhauled—show that the improvement had continued at about the same rate.

Since then the home market has continued to revive. One cannot be sure about the exact trend but reports from various companies indicate that the flow is now running between about 30 per cent. and 50 per cent. above a year ago (again in terms of current prices). The variation may in part reflect the differential effects of last year's special Government orders, which were mostly placed in the September quarter, and in part they could also reflect the sector of the industry in which each company is placed. But, all in all, it seems that home orders may now be running at the rate of about £16m.-£18m. a month. This would be a three-fold increase (ignoring inflation) on the level of two years ago when the recession was approaching its nadir.

On the export side, the turning point came a few months after the first signs of a recovery at home. Just as the U.S. preceded the U.K. market downward in 1970 and 1971 with Continental Europe following on behind the U.K., so the first indications of an upturn came in the U.S., followed first by Britain and then by the Continent. Again looking back, one can see clear signs of recovery in the American market developing in the winter of 1971-72 and the revival on the Continent beginning up to nine months or a year later.

For Britain's tool makers the floating and effective devaluation of the pound from June 1972 could not have been better timed. True, price elasticity can be pretty low on many types of specialised industrial equipment. If the specification, performance, and delivery date are right, the initial cost can be of purely secondary consideration. But this is not wholly true for all types of machine tools, especially the fairly standard lines. And, even where price elasticity is low, a lower exchange rate against the currencies of major markets, like those on the Continent, can do wonders for the profitability prospects of export shipments.

Irrespective of the precise benefits of the devaluation of the pound, however, it is clear that export orders as a whole began to recover from about mid-summer last year onwards. By December 1972—February 1973, the latest three-months for which official statistics are available, the flow of export orders was running about 22 per cent. higher on a twelve-monthly comparison and, according to random reports from individual companies, the rate of advance on an annual basis has now probably risen to close on half.

Swift recovery

In combination, the recovery in new home and export business has thus been as precipitous as the drop in 1970 and 1971. It is, therefore, not surprising that "bottlenecks" in the availability of manpower and the supply of materials and components have been so quick to recur. True, the rate of turnround in output has been more moderate compared with the turnround in orders. The trend rate of new orders did not intersect the trend rate of deliveries until last winter. Practically all companies had been manufacturing for stock during the slump and many were still making tools ahead of orders until a few months ago. It is only relatively recently that many delivery dates have begun noticeably to lengthen out beyond the normal manufacturing cycle period.

Likewise, import and export shipments were only fractionally higher in value terms in the first six months of this year as compared with the same months of 1972. In terms of total tonnage—not necessarily a true indication of volume after allowing for price changes—the 1973 figures were actually down on 1972.

Even so, the speed of the turnround in orders for capital equipment took much of the engineering industry by surprise and it is largely this that has contributed to the supply shortages which are now plaguing the industry, including the machine tool sector.

A survey of 950 engineering establishments conducted by the Engineering Employers' Federation in June and July 1972, found, for example, that capacity utilisation in the industry was then running at about 80-83 per cent. The sampled companies reckoned that, on average, they could raise output by about 8 per cent. with the same total labour force as they were then employing. And, even though orders had already begun to recover, the majority thought their major problems over the next six to twelve months would be lack of orders, inadequate profit margins, increased costs, and labour disputes. Only between a tenth and a fifth thought that the availability of skilled labour would be a cause of difficulty.

In the machine tool sector, capacity utilisation was on average running at only about 73 per cent. and the median estimate of the increase in output with an unchanged total labour force was 18 per cent. This was after skilled men had been dismissed by the machine tool makers in their thousands during the 1970-71 slump. Alfred Herbert, the biggest company, had alone reduced its payroll from just over 11,000 to about 7,000. Admittedly, the recent manpower recruitment experiences of the companies have varied tremendously: a lot seems to depend upon the grades of jobs offered and the localities in which the offers are being made. Some companies are facing considerable difficulties while others are claiming to be little troubled as yet. But some problems were inevitable given the extent of the cut-back and the speed of the subsequent pick-up.

Special steels

Much the same background lies behind the complaints now being made about the supply of such items as special steels, bearings, and precision castings. Their suppliers—who also serve other engineering customers—have been overwhelmed by the sudden inundation of orders. In the case of certain special types of bearings deliveries are now being promised some 18 months after the orders are placed.

Castings are a more special case. Before the slump most machine tool makers made their own castings but many foundries were shut-down or their operations drastically curtailed in the battle to avoid insolvency. These actions are not easily reversed. As a result, delivery times for most types of castings have doubled or trebled since last winter.

The wider question, inevitably, is whether the drastic reductions in the industry's overall capacity during the slump will prevent it coping with the load now building up—whether, in short, the peak of the cycle will be accompanied by an even greater volume of imports than before.

Much depends upon the rate at which orders continue to rise. One or two companies are already detecting some slackening at home. Most expect some kind of flattening to develop sometime after mid-1974, although lengthening delivery dates may induce something of a flurry of panic before then. Abroad, th is thought likely to conti boil for rather longer.

But the machine tool r has become increasingl international one: buyers days scour the world fo right buy. And, after the bitter experience of machine tool cycle, many panies are determine remain profitable durin troughs rather than end to cope with the peaks. are firmly convinced th cycle has not disappeare

Industry's changing structure

By GEOFFREY OWEN

A decade ago, when criticism of the machine tool industry's performance was at its height and numerous Government committees were established to find the remedies, the fragmented structure of the industry was widely regarded as an important source of weakness. Hence the mergers and take-overs which transformed the structure of the industry during the early and middle 'sixties were generally welcomed by the Government.

It was during this period that many of the industry's long-established, family-controlled companies were absorbed into large groups, and powerful outsiders like Tube Investments, Staveley and others were investing heavily in the machine tool industry. While a substantial number of medium-sized and small companies were left untouched, the wave of acquisitions had the effect of concentrating at least half the industry's output in the hands of about half a dozen large concerns.

Serious mistakes

The question that is hard to answer is whether these changes in structure have brought about a long-term improvement in the industry's competitive performance. It is certainly not difficult to demonstrate, with the benefit of hindsight, that some serious mistakes were made. The prices paid were often too high, and there was an excessive faith in the virtues of rationalisation; the speed with which the fruits of mergers could be harvested were vastly exaggerated. There may even have been in some quarters a basic misunderstanding of the nature of the machine tool industry and of the factors that make for success in it. That managements eventually came to recognise these mistakes can be seen in the disposals and hiving-off operations which took place towards the end of the 'sixties and in the early 'seventies In one or two cases more attention has been devoted to the factoring of imported machine tools while in-house manufacturing capacity has been run down.

It was not only in mergers and take-overs, of course, that mistakes were made. In some quarters there was a misplaced belief in advanced technology as the key to future prosperity. Molins' System 24, a highly automated machining system, proved to be ahead of its time, while the handsome Daventry factory of Herbert-Ingersoll, designed to supply the motor industry with transfer lines and other sophisticated equipment, was forced into liquidation through lack of customers. Whether these failures were due to backwardness among machine tool users, to poor marketing by the producers, or to other factors, may be debated at length, but the fact remains that at least some of the industry's ventures into high technology proved to be commercial disappointments.

Dried up

Any attempt to assess the usefulness of the industry's structural changes has to take into account the crippling recession of 1970-72, when orders for machine tools virtually dried up and many companies had to shed labour and reduce capacity on a drastic scale. In these conditions it was hard enough for any machine tool producer, small or large, to turn in a profit. Certainly the heavy losses recorded, for example, by Alfred Herbert indicated that size and diversity of products afforded no protection against the recession, and contrasted significantly with the performance of, say, Jones and Shipman, a smaller company with a much narrower product range, which has shown a remarkably consistent profit performance through good times and bad.

Yet it would be wrong to draw the firm conclusion that the small specialist is always able to ride out a recession better than a big group. After all, one of the companies hit hardest during 1971-72 was Newall, which had earlier successfully resisted a bid from Tube Investments and had been regarded as one of the strongest medium-sized units in the industry; it is roughly similar in size to Jones and Shipman. In the depths of the recession Newall reported a loss of £772,000 after a profit of £194,000 in the preceding year. Yet this was a company which, as a well-known observer had put it in 1970, "has demonstrated how specialisation in one field and one market has brought a continually larger share of that market and has enabled the normal swings of the machine tool cycle to be eliminated."

This example in itself serves to underline the dangers of generalising about the "right" structure for the machine tool industry or the "right" size for an individual company. No doubt there is a minimum size below which a machine tool producer has insufficient resources to devote to product development and marketing. It has always seemed logical, for example, that Marwin, one of the most inventive and successful companies in the field of numerically controlled machine tools and machining centres, should eventually feel the need for an association with a larger group which could provide the financial strength needed to maintain its rate of growth.

Backed by ICFC and by IRC, Marwin became heavily borrowed and needed access both to more finance and to more manufacturing capacity. A solution was found in the merger now being negotiated with Kearney and Trecker, the Brighton-based associate of one of the leading U.S. machine tool companies and, like Marwin, a leader in the field of machining centres.

Whether this particular piece of restructuring will produce a stronger and more effective unit depends on all the usual factors—the strength of the management, the ability of the two design teams to work together, and so on—which are always difficult for an outsider to assess. Certainly in terms of products the merger looks logical, though this does not necessarily guarantee its success.

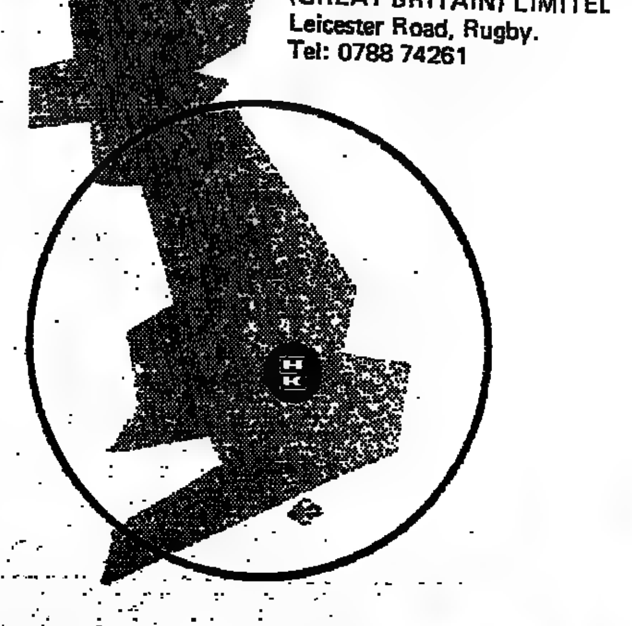
Small mergers

Any further restructuring of the British machine tool industry may well take the form of relatively small-scale mergers on the Marwin-Kearney and Trecker pattern. Within the industry there is too much recent experience of mergers that have gone wrong—no one is about to repeat the errors that Staveley made in the 'sixties. Modest acquisitions to round out a product line or to pick up specific design skills may well make sense, but large-scale rationalisation has gone out of fashion in this industry. As for incursions from outside, it is no secret that one or two of the bigger groups are looked at from time to time as take-over targets, either for "asset-stripping" purposes or simply because someone thinks that the assets could be managed better. But making and selling machine tools is not an easy business. With its long production cycle and chronic fluctuations in demand, it is not the most attractive field for an "entrepreneurial" management to invest its surplus cash.

Further structural change of the far-reaching kind which occurred in the 'sixties is, therefore, unlikely in the immediate future. The big groups like Alfred Herbert and Staveley will continue to seek their own salvation through greater internal efficiency and more intelligent product development. These internal changes may well involve decisions to phase out certain product lines and to concentrate development and marketing effort on those areas where the company has a realistic chance of maintaining or recovering a position of world leadership. For while success in the machine tool business may be achieved by companies with widely different size and ownership patterns, there is little doubt that the principle of product specialisation is the right one to follow.

Machine tools is one of the most international of industries. The companies that get the orders are generally those who have built up, often c period of many years, a r tion of product exce backed by first-class facilities, in specific ma The lead which German facturers have establish gear-cutting machines illustration of this. Once pany loses this reputati excellence, it is diffic recover it—machine tool are inclined to stick wi machines they know reliable.

With the recession nov and machine tool deman ning at high levels, industry should be ab generate enough cash to more resources to p development and thu strengthen their positi world markets. This se more profitable line fo industry to follow than m and take-overs.



MACHINE TOOLS III

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British exporters confident of their place in the overseas markets

By DAVID CURRY

Two basic facts stand out in any analysis of the machine tool industry's trade. The first is that trade follows very much the cyclical pattern which bedevils the industry as a whole; the second is the complementary nature of the trade between industrial countries.

A new factor which must now be taken into consideration is the relative value of the pound in relation to that of the currency of our major partners and competitors. This is a particularly important matter for the machine tool industry since half the machine tool imports into this country are from West Germany whose currency has moved most in relation to sterling and Germany is consistently one of the top handful of export markets for the U.K., taking about 10 per cent. of our exports. Whether the sharp upward movement of the mark in relation to sterling will disrupt this situation is the big unknown at the moment.

Cyclical pattern

The trade with W. Germany illustrates the cyclical pattern of the business. In the past seven years German exports to this country have had two peaks. They rose from DM163m. in 1965 to DM244m. in 1968. They then sank to a low of DM165m. in 1969 before climbing to DM225m. in 1970. By 1972 they were at DM174m. out of total U.K. imports of DM360m.

Britain's exports to Germany tell the same story. From DM136m. in 1965 they sank below DM30m. from then on until the three years 1969-71 when they progressively registered DM49m.; DM82m.; and DM87m. before slipping down to DM53m. in the recession year of 1972.

Our trade with West Germany also illustrates the complementary nature of the industry. The leading German exports to the U.K. in 1972 were lathes (DM25m.); capstan and turret lathes, automatics (DM15m.); milling and horizontal boring machines (DM21m.); shears and metal working machines (DM11.4m.) and wire working machines (DM13m.). Although at a much lower level, Britain's sales to Germany are heaviest in almost exactly the same categories.

This illustrates another important point. There are very few items in the composition of trade between industrial countries which cannot be replaced by a domestically produced product. There are, of course, exceptions. Britain would be hard pressed to find home replacements for some of the very small Swiss machines which have been developed for the watch industry and for some of the very large machines which come from Germany.

But generally a domestic substitute may be found, and this is where the effects of currency movements may prove vital. The big competitive advantage the U.K. manufacturers have through the depreciation of the pound should also militate heavily against German exporters both in selling to the U.K. and in third markets, while British exporters are confident that they have a remarkable *opportunity to sell to* Germany.

However, there is not necessarily an easy formula which says that a depreciated currency is an export catalyst. It tends to come back to our old friend *the cycle.* If the British cycle, when it reaches depression, happens when demand is still buoyant overseas then manufacturers have a reasonable hope that the cheapness of British products will enable them to step up exports to iron out the effects of the cycle. If, on the other hand, the story of the last recession is repeated, when it was a European-wide phenomenon, the compensatory advantages of a depreciated currency may be far less relevant.

Even on the German scene there are doubts. The anti-inflation measures in Germany include strong discouragement of new investment, and this may diminish the opportunities in an otherwise very large market which absorbed more than DM700m. in imports last year. On the other hand, if there *develops a substantial exodus of* German companies seeking manufacturing facilities outside Germany in, for example, Brazil, a path being taken by some vehicle and automotive component manufacturers, the opportunities may be deferred and shifted outside Europe.

Strong stimulus

Within Europe France is the market which is bucking the trend. From sales of £7.5m. to France in 1971 there was some slippage to £7.3m. last year, but this was in a period of recession when the purchases from the U.K. by Germany had sunk to £5.3m. The continuing process of re-equipment of French industry and the Government-sponsored programmes of creating larger manufacturing units is clearly a strong stimulus to investment and France has, over the past three years, soared into third place in our export league table overall and may even be pushing Germany *for the No. 2* spot within a couple of years.

Last year the Soviet Union was the biggest British market, taking £8.8m. in goods. But in Eastern Europe so much depends on large single contracts that it is very hazardous to make forecasts. Within Eastern Europe Poland is regarded as particularly promising, an opinion not only held by tool and gauge makers since in the first six months of this year Poland climbed substantially above the Soviet Union as an overall British export market.

The Japanese, though the world's fourth largest producer last year (production DM2,794; exports DM460m; imports DM 324m.), has not yet made the impact on European markets that certain of their electrical goods manufacturers and motor companies have registered. Japanese sales to Germany last year were only $4.3m. and to Europe as a whole just over $10m. in 1971 and below $8m. in 1972.

As for new export areas the three markets which the industry *tends to pick out are Spain,* Brazil and Mexico. Spain is, herself, a significant producer of machine tools, ranking 12 in the world league last year ahead of Sweden with production estimated at DM386m., exports of DM143m. and imports of DM214m. Spain is regarded as a coming export market partly in the light of the likelihood of considerable investment in the motor industry going to Spain and the rapid development of a Spanish shipbuilding industry.

Brazil is still a relatively small producer (DM148m. last year) but her imports of DM161m. make her a significant market and one likely to expand with the surge of European investment in industries like vehicle building and automotive products with a high demand for machine tools. Mexico is a tiny producer, but her imports last year were DM226m. making her about the tenth largest importer in the world.

The Machine Tool Trades Association is planning extensive promotions in Latin America over the next couple of years.

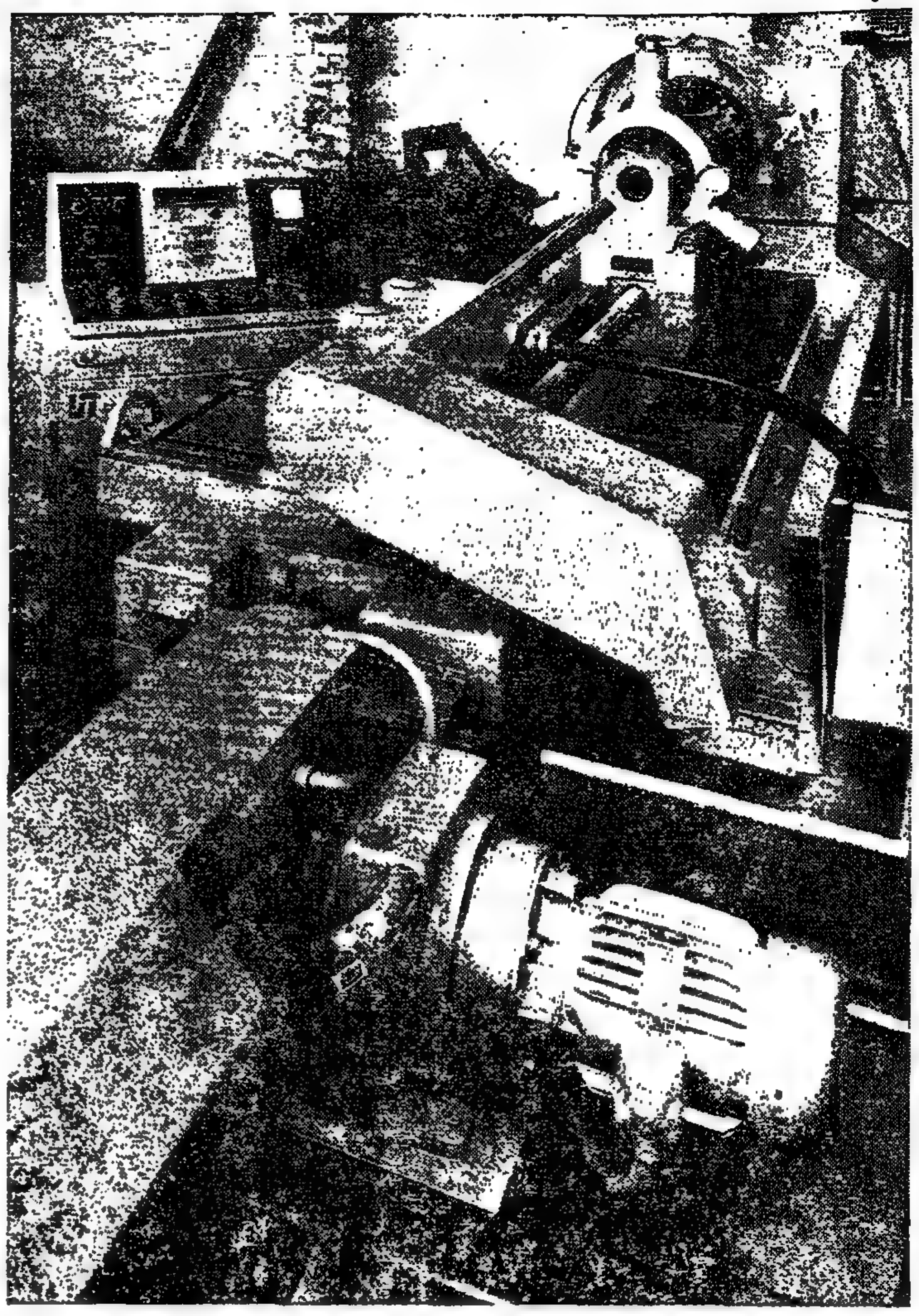
Less reliable

The traditional markets, like Australia, are regarded as less reliable customers than before. Ironically, while manufacturers now see Latin America as showing more of the political stability that reassures traders, they are beginning to wonder whether or not some of the traditional white Commonwealth countries are proving less stable with the increasing pressure of economic nationalism and tendency towards tighter controls on investment.

The industry is, then, very optimistic about this year, optimistic about the next, *but has* a lurking fear that 1975 may see the swing back into recession. This year a U.K. turnover of about £190m. is being privately forecast, although there are some worries about possible *steel shortages* and problems over ball-bearing supplies—the industry has traditionally demanded custom-made bearings and is having to adjust to using standard products as the ball-bearing industry itself rationalises.

Delivery problems

On the export side there is confidence of consolidating markets, thanks not only to currency changes but to good products and the ironing out of delivery problems. Apart from that there is a strong fatalism about the certainty of future depression; the hope is that the depression will not be universal but that there will be sufficient time-lag between its effects in different countries to enable exports to iron out some of the troughs into which the industry has sunk in the past.



An export-winning British-made deep hole boring machine manufactured at the Halifax works of Stanley Machine Tool Co., part of the Derek Hartle Organisation. It is the only machine of its kind made in the U.K. and has a feed rate of from 2in to 17in per minute. A substantial proportion of total output is exported and customers include firms in the United States, Australia and Canada.

Britain competitive with European manufacturers

By ANDY McELROY

Ever since the 1940s the British machine tool industry has taken a lot of stick on both marketing and technical excellence.

As recently as last year forecasts were being made on the length of time the industry could survive against Continental competition, given our entry into the Common Market. There is an implicit assumption in many of the statements made about the industry that Germany is technically superior while Japanese manufacturers offer better value for money.

But is it fair to throw brickbats at the industry? Certainly it deserves them if it cannot compete on level terms with manufacturers from Continental Europe or from North America, or even if it is losing out to Japan which can still, despite inflation, boast one of the lowest wage rates of any industrial economy.

Best value

To understand how the industry acquired its reputation—and, incidentally, many of its albatrosses—one has to go back to the years immediately after the Second World War.

Before 1939 any country in the old Empire that wanted machine tools came to Britain. There was never any doubt in the mind of the Australian or Indian user that it was in this country that he found the best value for money.

After the war, however, times changed rapidly. The Empire and the captive market had disappeared because the old colonial nations had realised that the United States was a source of effective production equipment that had been proved during the years of the build-up for the invasion of Europe.

The British industry was either bombed or worn out. And in the years during which German industry was growing with the help of Marshall Aid U.K. manufacturers were turning out machines to 1930s designs as fast as they could. Saving the advantage of hindsight it would be difficult to blame them for this. Their customers wanted what they knew, and were prepared to forego technical improvements for early delivery.

Come the late 1950s and the German economic boom was well under way, with the machine tool industry leading the growth field. Britain was, even then, a substantial exporter to Germany, but the native producers, blessed with a healthy home market, were able to price their way into Britain, Japan, and the United States. And for several years German dominance of Europe looked like being complete.

Everyone forgets from time to time that sophistication in machine tools tends to be a function of the disposable income of the engineering industry. When times are good automated machining centres become fashionable. During the lean years it is the simple but rugged equipment that commands the restricted market. Bad recessions kill off orders almost completely.

Decline is rapid, recovery slow, and the effects of general trading conditions are exacerbated by the normal four-yearly cycle that has become a standard industry pattern.

What the machine tool industry is selling is not a commodity — it is selling increased production, and nobody—or at least few manufacturers—is willing to invest in more capacity when markets are falling.

Critics of the industry almost inevitably point at the Herbert-Ingersoll and Staveley ventures, both ill-starred and, to the outsider, deservedly so. But it is easy to place the blame solely on management: it is wiser to look at the depressing level of user demand before pointing fingers.

Both of these ventures, and Herbert-Ingersoll in particular, were aimed at high-throughput users like the automotive industry, and at the time undergoing one of its worst investment years for a quarter of a century. Alternative markets were not in a buying situation. If one is investing in an automated machining centre capable of very high production rates one must be able to foresee a market growth that will at least cover machine amortisation.

Germany, as Britain's principal competitor in the European machine tool market, had succeeded in establishing itself in this country in the mid-60s with automated equipment. Thus last year, and even as long ago as 1969, British customers pointed to German companies as exemplars of what U.K. industry should be doing.

Worst enemies

It has been said time and again that the English are their own worst enemies, and this is truer of their attitude to home-produced machine tools than to any other industry sector. Yet if one looks at the five-year period between 1967 and 1972 it can be seen that British exports to the present EEC countries grew by a factor of 2.5, while imports declined to less than half of the initial figure.

While accepting that 1972 was an unusual trading year it takes a good deal of credulity to accept the figures. The last "normal" year — 1971 — gives figures of £28.3m. exports and £24.7m. imports. Exports had, on this basis, increased 3.5 times over while imports had fallen by about £700,000.

This growth of the European market is borne out by the figures for Germany alone, which is sometimes considered, as has been said, as the repository of technological advance. In 1967 exports to that country were £1.9m., while by 1971 they had reached more than £8m. In 1972 they had again fallen to £5.3m., and though this figure is well below the peak it still shows a healthy growth in trade over the period.

Jumping to conclusions on the basis of bald trade figures is an inclination that is hard to resist, but one can, to a first approximation, say that Continental machine tool manufacturers have been losing ground on exports against the background of a thriving economy while British companies have been improving their performance against a home market that has been neither healthy nor steady.

When one talks to the Machine Tool Trade Association it becomes clear that the industry knows what it is doing, given one or two exceptions. As far back as 1958 the machine tool sector of the mechanical engineering industry lobbied for a reduction in duty on machine tools from 17.5 per cent. to 10 per cent., an indication that they were prepared to fight without protection for the valuable European market.

Secretary to the association Mr. P. H. E. Warwick points out that selling successfully in overseas markets is nothing new to the industry. Machine tool manufacturers, as he says, were in Europe long before Britain signed the Treaty.

World background

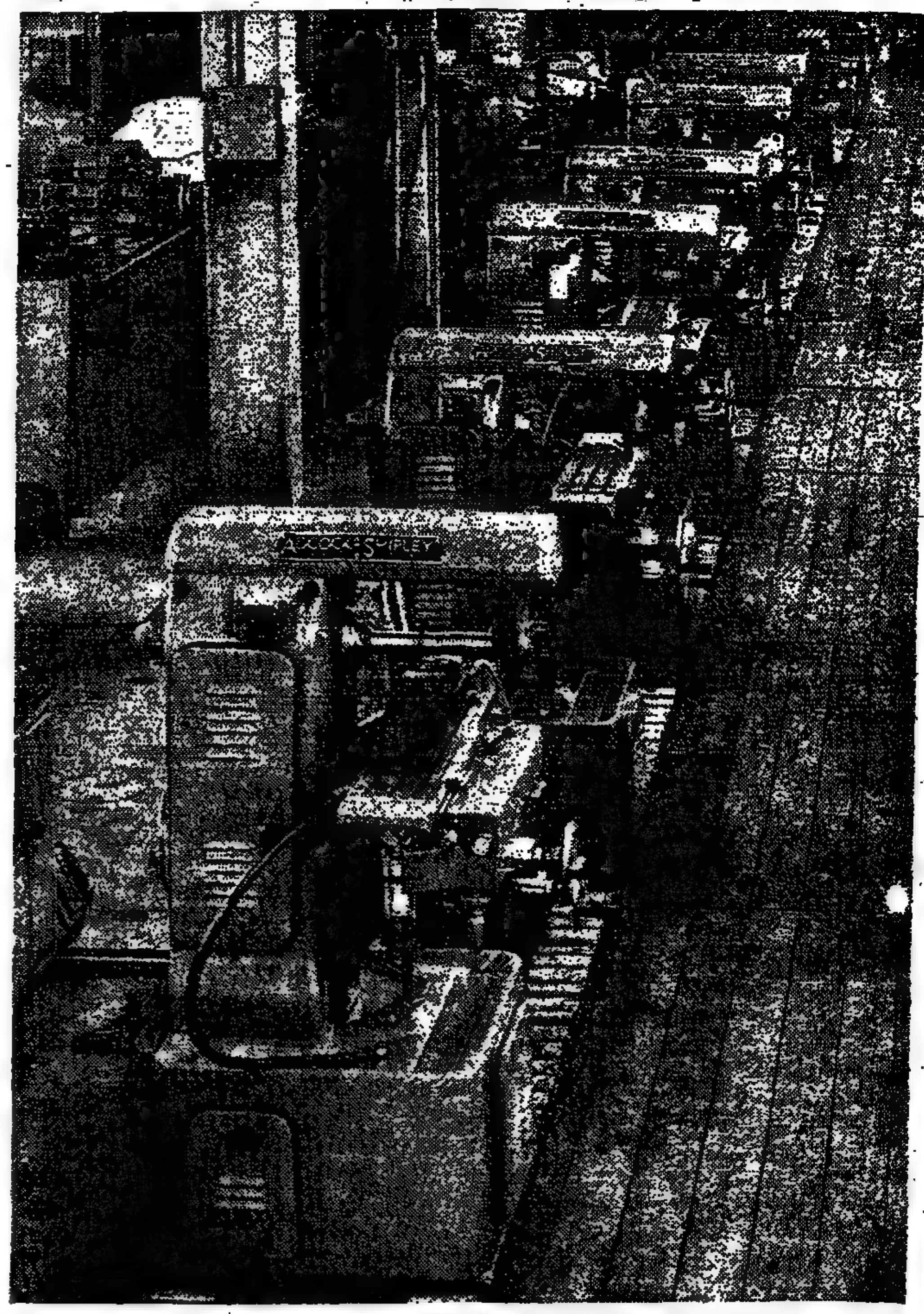
Speaking of the success of British manufacturers, he said that European trade must be looked at against a world-wide background. In 1971 the U.K. exported twice as much, by value, as it imported, £93.5m. as against £46m. In 1972 exports fell by about £14m. while imports rose by £1.8m., but that still left the U.K. with a positive balance of £31.6m. on the account.

And in any case, says Mr. Warwick, it is only to be expected that any country in the EEC, or indeed in the world, will import substantial numbers of machine tools. According to Customs and Excise there are no fewer than 450 separate categories of machine tool, and it is unrealistic to expect any country outwith the U.S. to have manufacturing and development capability in all categories.

Fragmentation of effort, as one must have in the comparatively small European nations, inevitably means that in the next few years there will be amalgamations between existing companies. On the automation side there is already a high degree of technical co-operation and the companies that sell control systems separately from the tools themselves already find that their production is being dictated more by a European concensus of requirements than by the needs of an individual nation.

In machine tools, as in most other areas of industry, there is constant discussion as to what shape cross-frontier co-operation should take. Britain's role is hard to define. Three years ago one could have said that the future lay in simple but effective equipment of the type that Colchester Lathes has marketed so successfully. Another viewpoint is that the electronic ability of companies like Plessey—ignoring for the moment the computer manufacturers *per se*—could be used successfully with German, Italian or French machines.

On any reckoning, the British industry stands comparison with anything else in the Common Market, quite apart from its competitiveness in the rest of the world.



Modern flow line production methods used by Adcock-Shipley at their Leicester factory for the manufacture of the Model 1ES range of milling machines. Adcock-Shipley are Western Europe's leading producer of milling machines.

Still no grounds for complacency

By HAROLD BOLTER

The U.K. machine tool industry had a favourable trade balance last year in the ratio of very nearly 2:1, selling £79.5m. worth of tools abroad to the £47.8m. which came into this country. Nevertheless, with the gradual removal of tariffs between Britain and Europe under way and the advantage of preference status in the old markets of the Commonwealth being withdrawn, it is no time for complacency.

At the moment it is generally assumed that entry into the Common Market will lead to increased sales in both directions while the much higher tariffs that British machine tool producers will face in many cases in markets such as Australia, Canada and New Zealand can be expected to lead to some loss of market leadership in these areas, against not only other EEC countries but also the U.S. and perhaps Eastern Europe and Japan.

So far as European competition is concerned, the British industry starts off with a distinct advantage. Traditionally, Britain has been a fairly static market for the six original members of the EEC over the last few years while Europe has shown increasing promise for U.K. manufacturers.

Britain's machine tool builders have increased their sales to the Common Market from £8.4m. in 1967 to £21.5m. last year, despite tariff barriers, while U.K. imports from the EEC, after hovering around the £20-25m. mark for five years fell to £11.6m. last year.

While 1972 was a bad year for everybody trying to sell machine tools in Britain, brightening up only in the last few months, it was particularly disappointing for the EEC producers. At the very least British manufacturers have as good a base on which to build in Europe as European manufacturers have here.

Wider market

There is an argument that the U.K. is at an initial disadvantage, in that British machine tool builders must try to exploit six different markets while established members of the EEC need only concentrate on one, Britain.

But that seems a little superficial. It is at least possible that British producers, particularly if they approach the different markets in a more concerted manner, have a greater opportunity for expansion in a much wider overall market than is available to the other EEC members.

It might have been expected that the sudden upsurge which has taken place in machine tool orders in the U.K. would lead to a much greater import penetration, simply because the British industry, having carried out a very heavy programme of rationalisation, would be unable to cope.

Sales increases

In fact, however, although importing members of the Machine Tool Trades Association are reporting increases in the level of their sales, the trend is not too frightening. Delivery times currently being quoted by most U.K. companies are considerably shorter than those of many machine tool producing nations. Customers for some Japanese products, for example, are being told they will have to wait for anything up to two years and where imports have risen this is due as much to foreign suppliers' predominance in certain specialist products as to unacceptable U.K. delivery dates.

The Japanese experience is interesting. In Japan there are various schemes in which companies pool their marketing activities and, to an increasing extent, centralise raw materials and component purchasing. When the groups operate in a common product area, range rationalisation and common development activities are also included in the concept.

The Japanese Government has been encouraging product rationalisation by laying down guide lines for minimum production of certain types of machine tools. In essence, no company should continue to make a type of machine specified in the Government's list, it was stated, unless the machine concerned had 5 per cent. of the national market and represented 20 per cent of the company's total output.

It is doubtful if this sort of development will take place in Britain. Nevertheless there are those, including Mr. Derek Hartle, Chairman of the Edward G. Herbert group, who believe that it could provide a basis for a healthier machine tool industry and that the concept should be viewed from an international rather than national standpoint.

The movement towards product rationalisation has been gathering pace in Britain during the recession. Nevertheless, there is still a fair amount of duplication of individual products. Again, although this means that there is a choice available between products with similar specifications, their competitive effectiveness in foreign markets or against imported machines tends to be restricted by a lack of technical development and market compatibility.

As British manufacturers tend to specialise more in particular sectors of machine tool production there is every likelihood that they will import complementary machine tools and carry them, for marketing purposes, as part of their range.

Equally, there has been a recent trend, which will almost certainly accelerate, for the larger European producers to set up their own sales organisations in Britain rather than rely on merchants, in much the same way as has happened with foreign companies in the motor industry.

Nevertheless, the European Association of Machine Tool Merchants, recently established in London and with a far more healthy relationship with the MTTA than has previously been the case, does not believe there is room for any real concern at present.

Main problem

Merchants have benefited in the last six months from a considerable improvement in business, in second-hand machine tools as new ones, in both the import and export fields.

Their main problem at the moment is less the longer-term role they may play in the industry than the obvious difficulty, as far as imports are concerned, about the changing relationship between foreign currencies and the £.

Additionally, of course, they are as concerned as the manufacturers about the cyclical trend of machine tool sales and the effect this had on their business. For this reason the AMTM has joined with the MTTA in representations to the Government in representations for the introduction of a new investment scheme aimed at smoothing out the peaks and troughs of demand.

An indication of encouragement which merc are taking from Britain's into Europe can be taken the membership figures o European Association Machine Tool Merchants, have risen by 25 per cent. the start of this year.

Some of Britain's machine tool manufac already have a merchanting and smaller, spec merchants are now so established that they little to fear for the f according to the Associatio

	U.K. imports from all sources £m.	U.K. exports in total £m.	U.K. imports from present EEC members £m.	U.K. exports to present EEC members £m.
1967	32.2	42.8	25.4	8.4
1968	45.1	56.3	24.3	10.4
1969	40.6	67.6	21.0	14.2
1970	55.3	84.0	30.7	23.2
1971	46.9	93.5	24.7	28.3
1972	47.3	79.5	11.6	21.5

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MACHINE TOOLS V

Product development programme gets under way as profits recover

y KENNETH GOODING

No one disputes that the most cent recession in the machine ol industry in the U.K. was e most appalling in living emory. Its impact on the dustry can be gauged by the gures from Alfred Herbert, the gest company in the industry, hich has incurred losses talling more than £9m. during e past two and a-half years alle looking for a break-even te of trading by the end of s current financial year next onth (October).

Like the rest of the industry, erbert had to make a further ajor retrenchment. It con- ntrated its attention on reduc- g overheads, stocks and otors and on slimming down anufacturing facilities into wer plants. But it still had continue to develop the oduct range and ensure its -to-dateness.

Major renovation of the oduct range is necessary ore frequently nowadays cause of changing technology d customer requirements, and s means the machine tool anufacturer needs a com- tence in design and manu- turing of a different order m that which was adequate the past. Making this point his latest annual statement, Richard Young, Herbert's airman, also maintained: "Had cost of doing this been rked on the grounds that m trading conditions so uired, there can be little ubt that Herbert would no ger have held, as it now tainly does, its place in the efront of machine tool sign."

Trade missions

It is not only Herbert that naged to press on with pro- ct development during the ession. There is a long list new machines being shown U.K. manufacturers at nover, and during the past ar trade missions from ance, Germany, Spain and the ddle West of the U.S. have to away impressed by the histication and variety offered by British machine tool companies.

But the industry is still, to a great extent, made up of a large number of small com- panies, and one is left with the feeling that during the recent "trough" some of them were only just managing to hang on.

There were, in fact, some spectacular closures. Staveley Industries in June last year shut down the Worcester works of its Archdale division, point- ing out that, as a maker of special purpose machines for the automotive industry, it had suffered much more than the remainder of the Staveley Machine Tools subsidiary from "the savage recession in machine tool orders." Con- tinuation of the business, even on a reduced scale, would pro- duce "unacceptably high trading losses for a long time to come." Some 400 people were affected by the closure which did produce "a signifi- cant improvement in Staveley's cash resources."

In the same month came the news that Herbert-Ingersoll had been put in the hands of a receiver and manager. H-I had been set up in 1968 by Alfred Herbert and Ingersoll Milling Machine of the U.S. with the support of the Industrial Reorganisation Corporation and the Government, which con- tributed £1m. towards the new venture. Its aim was to pro- duce tailor-made machines at the heavy end of the industry.

The demise of H-I can be blamed only partly on the recession in orders—which the management forecasts com- pletely misread—because the company was also saddled with a heavy debt load, around £340,000 of interest payments a year, and a particularly con- servative method of accounting, which involved all development and start-up costs being taken into the profit and loss account.

The venture cost Alfred Herbert £5.25m., and when it closed down it contributed to the decline in the machine tool industry's manpower. For it is in the reduction of the total workforce, apart from the major closures, that the re- trenchment process can be spot- lighted.

Since 1969, when the industry had 59,000 employees, there has been a 20 per cent. reduction to 46,000. Some of the big com- panies were even more severe. Staveley, for example, cut the machine tool work force from 5,000 to 2,500 while still retain- ing 80 per cent. of the original manufacturing capacity.

Closure costs

At Alfred Herbert the average pay roll two years ago included 11,000 people, and by the end of the present year this should fall to around 6,500. Herbert closed the Churchill factory in Manchester (moving the operations to Coventry) and its redundancy and closure costs —charged to the profit and loss account—totalled £1.28m. in 1972 and £920,000 in 1971.

On a smaller scale, in the year to November 1972, Newall Machine Tool reduced the total of employees from 1,754 to 1,350 at a cost of £46,000 in re- dundancy payments, but the total wages bill fell from £2.47m. to £1.9m.

Newall provides an example of a company in serious straits even for this troubled sector of the industry. In its last financial year it lost £772,000 pre-tax and will be reporting losses again in the current year. To add to its embarrassment, Newall fought off a £1.9m. bid from Tube In- vestments 18 months ago, and less than a year before it plunged into the red, on the grounds that it was "in a stronger position than most in the industry."

It was not only the employees on the shop floor who felt the impact of the near-disaster. The complete management team of Newall was restructured and only one of the five previous directors remained on the Board when the dust settled.

The managerial links with the Player family which built up Newall and took it to the public in 1936 were severed when both the chairman, Mr. Denis Player, and his brother, Jim, who had been heading the group's sales company, resigned. Traumatic indeed.

Through all the depressing times for the industry, those companies which are better known for the good, middle- price, functional machines needed in workshops anywhere in the world seemed to survive in fairly good shape—companies like Colchester Lathe, Jones and Shipman and Wadkin. But this is not to suggest that the indus- try is mortgaging the future by concentrating on "everyday" machines at the expense of more specialised ones. And there is also good evidence to show that the industry practises what it preaches and is using less old (more than ten years in use) equipment than most other sectors of British industry.

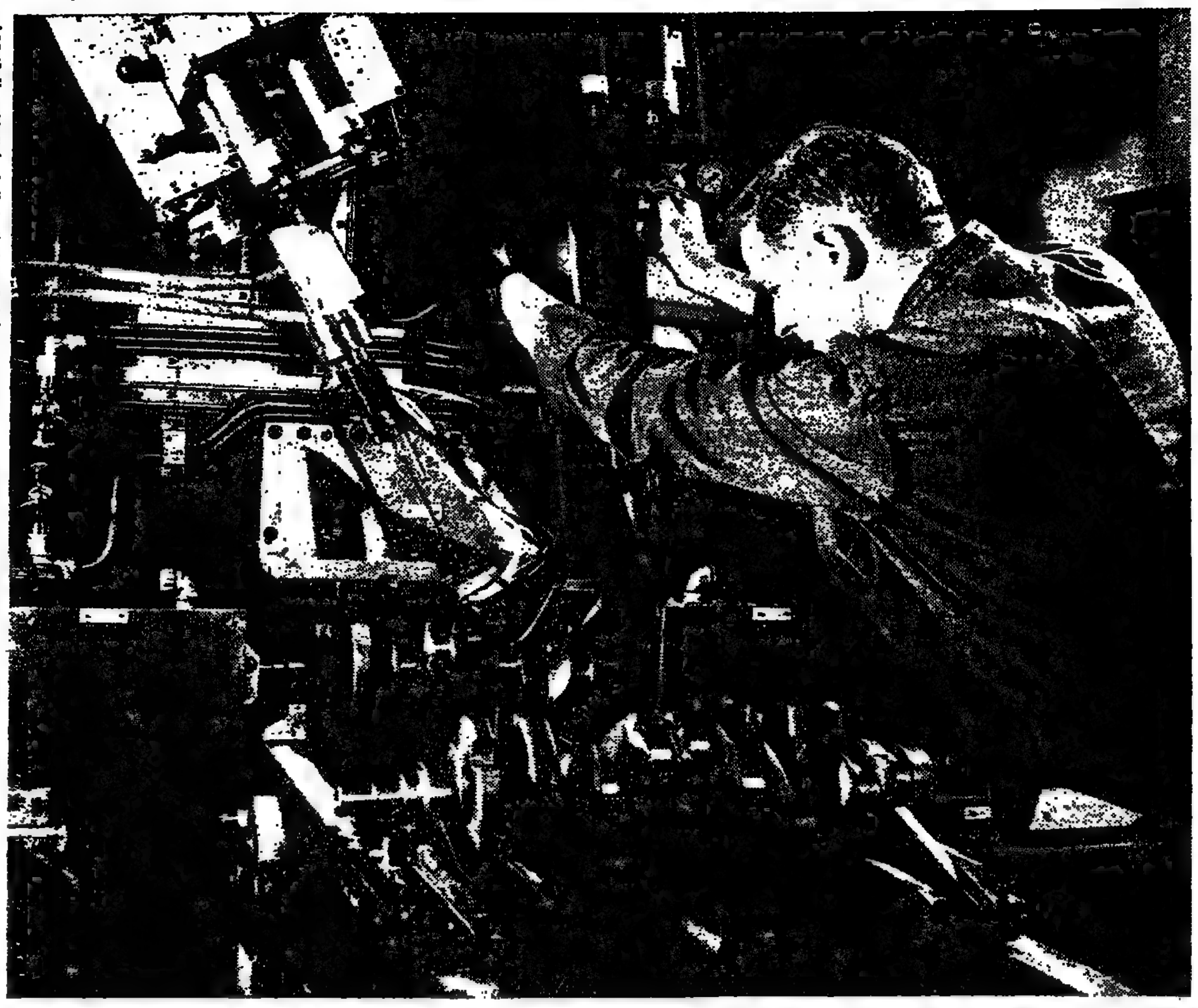
Sir Richard Young of Herbert echoed the industry's senti- ment on this point when he com- mented: "Unless industries using machine tools do keep equipment up-to-date, they can be saddled with the burden of uncompetitive costs and levels of work in progress, as well as with waste of space and long lead times. These disadvantages increase as inflation increases. In a word, up-to-date machine tools are an essential defence of real profits and competitiveness, especially in times of inflation."

Financial problem

One result of the streamlin- ing process which the industry has undergone is that it should result in the financial results of the industry being less cyclical than in the past even if the future peaks and troughs in order intake maintain their past strongly fluctuating pattern.

But there is no doubt that the industry should not allow the boom which is now getting under way to divert its atten- tion from attempts to get at the very roots of its financial prob- lem—this cyclical ordering pattern. The Machine Tool Trades Association has for many years been trying to get the U.K. Government to devise a method which even out the ordering pattern. The idea is that in times when industry is flush with cash, some of it could be set aside for the leaner years and it could then be used on capital goods in general— not just machine tools.

The MTTA is leaving the details to the Government to work out and now has the back- ing of a reasonably large group of MPs who at least understand the industry's problems. As the next step the MTTA is actively seeking support for its suggestions from other, allied industries, so as to add weight to its case. Unfortunately, the machine tool industry can produce any num- ber of horrific financial details about the past few years when it next seeks Government help.



Part of the £170,000 Ryder-Krueger fully automated transfer machine produced for the Ford Motor Company's plant in Cologne, Germany, by Thomas Ryder and Son Ltd. — the machine tool manufacturing subsidiary of the Whitecroft group. The machine will process crankshafts for V6 Ford engines at the rate of one every 30 seconds, drilling all oil holes to fine toler- ances.

New approach to cyclical patterns of investment

By MICHAEL CASSELL

The remarks made last week by the President of the Machine Tool Manufacturers once again served to highlight the machine tool industry's biggest and oldest problem, the cyclical nature of investment on the part of the customers it serves.

The problem has bedevilled the industry since the last war and despite an endless succession of calls for action to be taken to bring about a permanent change in the situation, machine tool makers to-day still face the same difficulties. As the president said "Unless some method can be found for ironing out these very low troughs it is going to continue to be an inhibiting factor in the technological advancement which must in the next 10 to 20 years contribute so much to bringing to the user the new and better, more efficient, more reliable and therefore most cost-saving machine tools and production techniques which must herald in the 1980s."

Investment incentives, originally devised as a means of encouraging industries to invest in new plant, have been operating in various forms since the last war, with varying degrees of success.

Investment grants

In 1944, investment allowances were introduced and these were subsequently replaced by investment grants on the grounds that the reimbursement of industry was slow and uncertain and that by their very nature, tax allowances were of no value to companies not making sufficient profits to avail themselves of the allowances.

As pointed out in an interesting Paper just published by the Edward Herbert Group, which has interests in the manufacture and distribution of machine tools, investment grants were seen as providing greater certainty and faster reimbursement and aid to new enterprises which had not begun to make profits. However, the scheme itself came in for criticism on the basis that by providing benefits to companies, whether or not they were profitable, led to uneconomic investment and a waste of resources and that it discriminated against the service industries and placed an excessive administrative burden on both industry and government.

In 1970, the Way Report recommended that investment grants should be discontinued since they were ineffective as stimulants to investment and they should be replaced by a system of free depreciation and investment reserve certificates.

Since 1970, there has been a system of depreciation at choice in the development areas as well as capital allowances.

Herbert makes the point that there is an urgent need for industry to develop more progressive policies towards investment appraisal and suggests that the effectiveness of any incentive scheme is in part dependent on the existence of such policies. As an alternative to a "pure" incentive the Group indicates that a combination of incentive allied to suitable investment policies might prove to be the best format. Such a combination, it says, would remove the objection that incentives lead to uneconomic investment and waste of resources.

It supports incentives on the lines of the old investment grants which were effective in immediately improving cash flows not shared by tax incentives. If such incentives were linked to investment policies the controls applicable to the scheme could, it suggests, be more rigid than has previously been the case.

Mr. Derek Hartley, the Group chairman, comments: "While opinions as to the value of investment incentives and the form which they should take vary wildly, any scheme which attempts to stimulate capital investment by industry is worthy of support."

Increasing pressure is now certainly being put on the government to introduce investment incentives in slack periods. For over 10 years the MTTA has been pressing successive governments to introduce a modified version of the investment reserve certificates scheme in operation in Sweden.

This is not simply because it wishes to follow the scheme blindly but because at the present time it appears to be the only one in existence and seems to operate with some success. Until recently, the Association has been fighting a battle with little support but now several bodies are backing their campaign, including the Gauge and Tool Makers Association, the National Federation of Engineers' Tool Manufacturers and several distributive organisations. With the industry emerging from what has been widely described as the longest and most severe recession in the industry's history, the desire to make progress towards some stabilisation of investment has never been stronger.

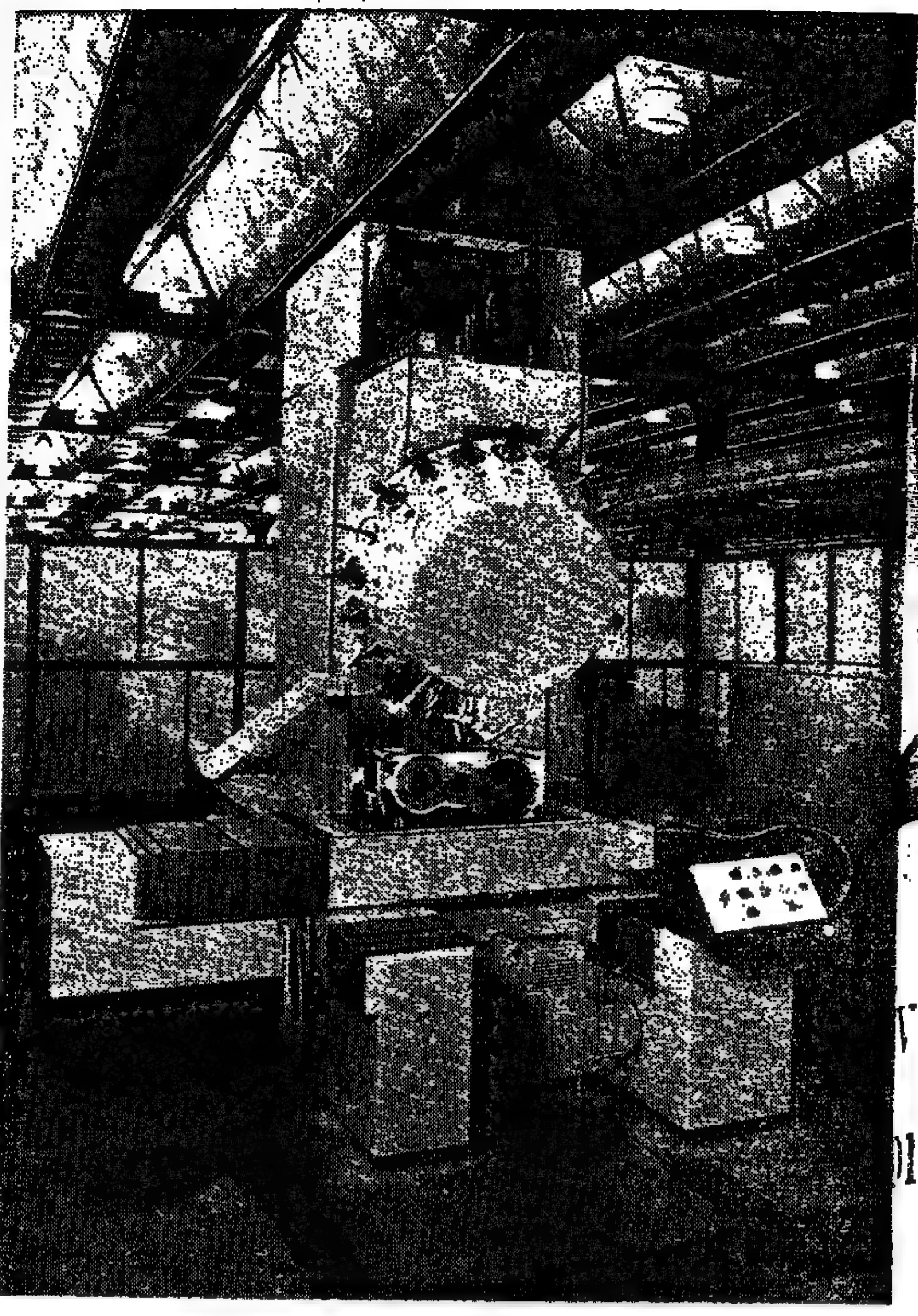
The so-called Swedish scheme provides fiscal incentives by giving tax relief, in addition to the normal investment incentives, on profits used to buy government interest-bearing "plant modernisation certificates" to be used for later investment, primarily in plant and equipment at times when the government has determined in the light of the economic situation that the funds set aside can be released.

Time lag

However, several fundamental difficulties in implementing such a scheme have been raised. The first is the need for a suitable judgment in determining when the time is ripe for the release of counter-cyclical reserves to be authorised. There is normally a time lag at the start of a recession before a down-turn in economic activity is confirmed by the indices but if action was delayed until this confirmation was received, it might come too late to arrest after the falling off in orders for new plant and might only increase the subsequent pressure of demand in the upswing of the cycle.

There is also the important question of cost. Many people think it would require a substantial bonus over and above the normal investment incentives to induce companies to put aside funds for future capital investment on a basis which enabled the government, if not to control, at least to influence powerfully the timing of their subsequent expenditure.

Another suggestion attacks the problem from a different angle by proposing that the government should underwrite, for a small premium, a share of the risks a manufacturer of machine tools bears who seeks to maintain production in a recession by making machines for stock, in the expectation that he will sell them profitably when demand rises later.



Olivetti's new Multiauctor vertical machining centre to be shown at IHA will be controlled with three other numerically controlled machines b[y a] single tiny computer.

On the evidence available, there seems to be a case for encouraging industry to develop investment policies based on realistic assessments of its future capacity requirements. The absence of such policies could clearly detract from the value of any investment incentives which might be introduced. The machine tool indu[stry] could be instrumental [in] initiating suitable program[mes] to encourage the developm[ent] of this type of policy.

Numerical control techniques make encouraging progress

By TED SCHOETERS

If proof were needed that Molins was on the right track after several years and a seven-figure development bill for its computer-controlled machining centre, this can be found in the support it got from IBM.

The small IBM 1130 was one of the computers on which the Molins concept could be based and the company showed its approval of the company's advanced machining ideas by ordering worthwhile amounts of equipment. Unfortunately the accolade came too late to save the project from the axe which cut it short before it had been completely carried through. Another year's work could have given Britain a considerable lead in this technology.

Official support

Other groups, including Plessey at that time consolidating its numerical control empire, looked at the Molins project but deciding against a takeover for various reasons, one of which was uncertainty regarding further official support and another the concentration of the project team on light alloys.

It is a moot point, whether, if the present computers on a single chip had been available four years ago at less than £100 each, the Molins team would have carried the project through to completion. Probably not, because the cost of software would have been no less and possibly even more, while it has taken several years for industrialists to realise just how much it takes in man-years to develop a successful software system.

And it is software which remains the key in the debate now taking place between the protagonists of hard-wired numerical control systems and the minicomputer makers. Four years ago, makers of these versatile machines, including Honeywell and General Electric of the U.S., were confidently saying that numerical control equipment would soon be replaced by the minis.

There was, however, no concerted rush by potential buyers in Britain or Europe because, at the time, the machine-tool industry was at the bottom of one of its cycles and the last thing users wanted was new and untried equipment.

Meanwhile, the initial reaction from the market leaders in numerical control was simple and predictable. It consisted in asking the simple question as to who would pay for the new software development needed if these new minis, some sold as "naked" machines, were to take over machine-tool control.

Now, everyone is a good deal older and wiser and it is an encouraging thing to be able to report that British equipment features in Europe's first attempt to develop a general machine tool control system. The equipment is based on the Minic compact computer built by Micro Computer Systems of Woking, member of the George Kent Group. The unit is being shown in Hanover and it is based on work done originally for and in conjunction with Herbert Machine Tools.

Major advantages of the system are programmed contouring from interpolation routines resident in the core; simultaneous control of four axes; alarm and equipment monitoring and editing of the resident program through an operator panel to allow the same part to be machined in a different metal, for instance.

NEL at East Kilbride, main U.K. centre for the theory and application studies of numerical control systems, is using a Minic for a research project on the control of machine tools by computer. The aim is to show whether the manufacturers' claims that minis are less subject to obsolescence than the hard-wired numerical controllers are in fact true.

The computer is general purpose and the software specialised to the area, but capable of being standardised for a whole series of operations with no need to involve [...] hardware.

The Minic has been brou[ght] into use at NEL in a much m[ore] ambitious project embrac[ing] the adaptive control of mac[hin]ing processes and di[rect] numerical control syst[ems] where several machines [are] integrated in a compu[ter] hierarchy where a la[rger] monitoring computer [is] included.

Tough requirement[s]

Herbert's original requ[ire]ment was the rather tough [one] that the chosen machine sho[uld] support a general-purpose s[elf-]contained system which co[uld] be plugged into any one of [the] company's two, three or fo[ur] axis turning lathes without [the] need for anything more th[an] the insertion of the appropri[ate] program tape for the mach[ine] in question.

Many companies bid for [the] job but the Minic machine w[ith] its microprogramming facil[ities] won the day.

A much less sophisticat[ed] development, yet one wh[ich] could pay handsome dividen[ds] for many operators who will n[ot] be using computer control [for] several years, has been su[b]jected to exhaustive comparis[on] tests by its developers, Smit[h] Industries.

It takes the form of eas[ily] retro-fitted digital read-o[ut] units and productivity analy[sis] of its application to a cent[re] lathe showed that increases [of] 10 to 30 per cent., according [to] the complexity of the work, a[re] easily obtainable.

The saving does not com[e] only from the fact that th[e] operator does not have to brin[g] the unit he is working on to [a] halt to apply gauging, it al[so] derives from the much great[er] ease and accuracy of the rea[d]ings.

Applied to vertical miller[s] the read-outs allow these to b[e] used for jib boring and slottin[g] to accuracies available only o[n] much more expensive machine[s]. Here the time saved is of th[e] order of 30 per cent.

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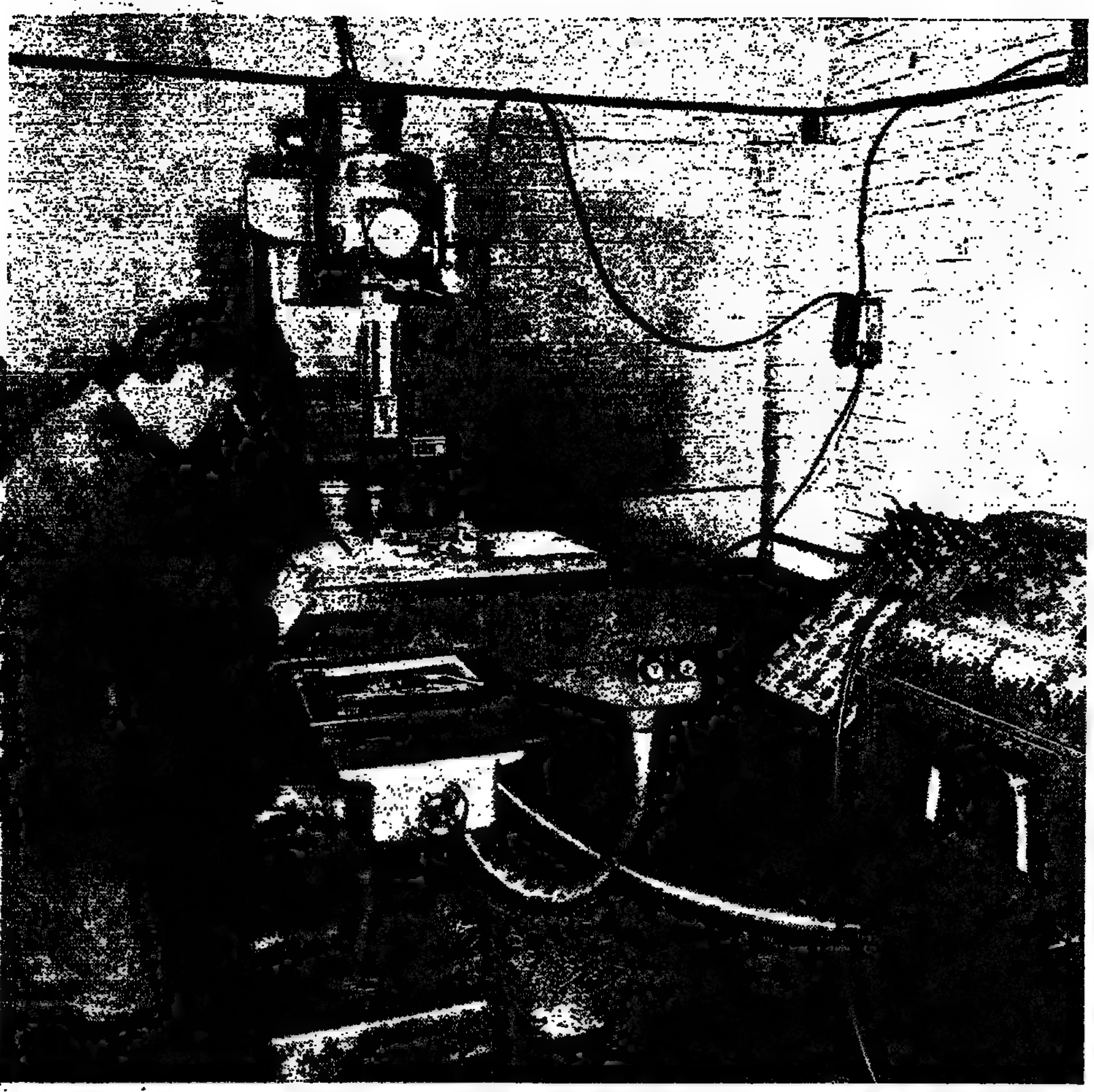


The built-in tape punch, unique to the Moog machines, can be seen on the right hand side of the control console of this model 1000 TP machine installed at the Birmingham Works of David C. Nash Ltd.

Greater degree of planning needed

By a Correspondent

Over the past five years British machine tool exports have grown roughly threefold to a total last year of almost £80m. Although down on the 1971 high of over £93m., it still indicates, as one man in the industry puts it, that there is little wrong with either the tools or the way they are marketed.

During the past few years the home market has been less buoyant than overseas, but the indications are that this year manufacturers will have their best year since the mid-1960s.

By its nature the machine tool industry is a difficult one in which to establish a long-term marketing plan, and yet this is exactly what is needed. At the first sign of a trade downturn the orders curve dips sharply, and when the economy begins to revive, natural caution among customers means that demand is roaring ahead before sales reflect the new prosperity.

Then, as so often happens, everyone wants immediate delivery. Cyclical and unpredictable—that is the nature of the industry. Manufacturers must be able to foresee downturns and cut back production rather than be left with unsold machines. Even as production is being reduced plans have to be made for new ranges well before there is any indication of a demand for them.

Companies that do this successfully are those blessed with management that combines the talents of industrialists with the sensitivity of a mind-reader. Predicting a down-turn in the market is largely a matter of subjective judgement based on what are no more than minor indications.

Whereas in most other industries plans can be changed in the light of sales information, in machine tools it is far too late to act effectively when returns show a decrease in orders.

But the situation is not as hopeless as it seems. For example, Alfred Herbert, the Coventry group now fighting back to profitability after a near disaster, finds that it can base its assessment of the market on some indicators that are not immediately connected with their sales. Informal contacts among steel stockholders can give an early warning that ordering of raw materials is falling below the norm for a particular time of year as manufacturers reduce stock levels against a falling market.

Useful as indicators like this undoubtedly are it cannot be said that they provide the marketing department with sufficient warning of a downturn. What the industry really needs is some way of levelling out the peaks and troughs to give something approximating more closely to an even sales pattern. And as the cycle time between successive peaks is roughly four years, any measures must of necessity be long-term.

Suggestions have been made in the past that the industry should be more persuasive in advancing the wisdom of re-investing in capital equipment during lows in the trade cycle. From the management viewpoint this is sound policy, as the alterations and upheaval involved in installing new tools or changing the layout of the production floor can best be accommodated when output is low.

Uncertain demand

Yet how many managements have the confidence to spend heavily while the future demand for their product remains uncertain? And a frequent question when this proposal is made is why the machine tool industry doesn't take its own advice?

This last is rather unfair, and despite the brickbats thrown at the industry its record shows that several companies have management planning and implementation teams that are an example to the whole of manufacturing industry.

Continued prosperity for the industry is cast in question by the need for constant improvements in tools and the late, though growing, adoption of fully automated machining centres. For the marketing man the combination of mechanical and electronic components poses a problem of accurately assessing the match that will best suit the customer's needs.

Because of the highly technical nature of the product this is far from easy, and the industry finds that it spends an inordinate amount of time and money in investigating customer problems, examining production techniques, measuring output rates and so on, while in the end the order may go to the competition.

Naturally, after the demise of Herbert-Ingersoll there has been a reaction against heavy commitment to production of sophisticated and expensive tools. Cynics are given to pointing to the success of companies like Colchester Lathes, whose principle is to sell general purpose tools offering excellent value for money. Yet they forget that within the same group are the Hydro Machine Tool Company and the Richmond Machine Tool Company manufacturing numerically controlled lathes and drilling machines respectively. And the Sykes Machine Tool Company, which imports the Boehringer range of highly specialised numerically controlled lathes, which can cost anything up to £70,000, is having one of its most successful years, although figures are not yet available.

Most marketing approaches in the industry are based on machine performance, and yet this is not enough to convince customers of the need for re-equipment. Far too few sales approaches are made on the basis of overall economics, taking every factor into account. Yet those companies that are selling most successfully at home and overseas are those which can produce cost analyses showing absolute savings.

Companies looking for a way of convincing the market of the excellence of their equipment could well take a look at the approach used by Sandvik U.K. in marketing its cutting tools. It estimates that the cost of tools represents only about 2.5 per cent. of total production costs, yet within this very narrow margin they can demonstrate that by choosing their cutting tools in preference to those of most competitors substantial savings can be made.

Recently, Sandvik produced a detailed analysis of all factors making up the total cost of production, showing how the various costs inter-relate and how cutting tools influence, for example, labour, materials and overheads.

Similar study

Several years ago a similar study on machine tools and the cost of unit production was carried out by a Dutch research organisation, but so far there has been no British company willing to study the performance of its products in this detail. Customers are therefore left with the feeling that they are choosing their equipment on far too little hard information, and the view has been put forward that whenever a large contract is involved the supplier of the machine tools should be prepared to produce a cost-performance analysis for the equipment when used on products similar to those made by the prospective customer.

That machine tool manufacturers should be reluctant to commit themselves to this degree is to be expected. Money is not the only deterrent: far greater is the shortage of men qualified to undertake the task especially when, as now, trained staff is in short supply and staffs are stretched to the limit on work that is given a higher priority.

However one looks at the picture, though, it is difficult to resist the conclusion that manufacturers must become more closely involved in customer problems. Considering the level of expenditure involved in re-tooling, the customer is coming to expect the same degree of consultancy service, analysis of problems and after-sales attention now lavished on users by the computer industry.

Computer men realised many years ago that they weren't in the business of selling machines, but of selling solutions to problems in industry and commerce.

Now that Britain is in the EEC it is to be hoped that it is this country's machine tool makers who will accept and act on that premise rather than those from Germany or Italy.

Dividend expected from the EEC

By ANDY McELROY

"For the machine tool industry," says Mr. P. H. E. Warwick of the MTTA, "Britain's entry into the Common Market was a complete non-event. We'd always been in Europe."

One has only to look at the number of British machine tools in use in German, French, Italian or Dutch factories to realise how true this statement is. Since the 1950s the industry has competed successfully with other European countries for sales both on the Continent and further afield. This country has a healthy positive balance of payments in machine tools, a fact that is not often appreciated by people outside the industry, but one that provides a happy contrast to the situation in other industries.

Growing exports

What is particularly encouraging about the picture is that if one overlooks last year's very bad trading results, exports have been growing at roughly 25 per cent. compound per annum over the last five years.

In the same period imports have grown hardly at all, by value. And given the effects of inflation it is apparent that in terms of the numbers of machines imported our dependence on overseas manufacture is declining.

With such a happy situation what does the EEC have to offer the industry? One forecast that has been made is that the growth of co-operative projects between governments or between companies in different countries will lead to a massive need for re-equipping. Similarly, the expected amalgamation of production units, centralising within the market so that advantage can be taken of the economies of scale on the production floor, will provide a welcome boost.

Commentators on the Continent in particular are convinced that we are entering the era of massive centralised factories serving multinational distribution and marketing organisations, and that these factories will be highly automated, even beyond the scale of to-day's automotive plants.

It would be far too optimistic to anticipate that this will happen on any considerable scale earlier than about 1978 though there have been several examples of production rationalisation within the old Six. Industry throughout Europe is well equipped with machine tools and it seems unlikely that users will be prepared to scrap them for improved versions while they still have so much useful life left.

But if industrial growth continues, even at the fairly low level of the past two years, manufacturing industry might well be forced to think again. Skilled engineers are already in short supply almost everywhere in the Market, and though the increased mobility of labour is expected to alleviate the situation in those countries and regions that are hardest hit the final effect will only be to distribute shortage of men more evenly.

There seems little that can be done to increase the labour supply to any considerable degree. Indeed, the reverse is happening. Recent figures show that the proportion of service industry to manufacturing industry employment is growing. Development of the leisure industries is certain to exacerbate this situation and it is already apparent that, given the choice, young men are attracted more to business careers than to manufacture.

All these factors make it inevitable that the degree of automation employed in factories will increase substantially during the next decade. Obviously there will be rich pickings for the European machine tool industry as a whole, but what is not yet clear is how the spoils will be divided.

Whenever the use of electronics on the production floor is discussed most of the examples quoted tend to be taken from the Continent. It is as if the British machine tool user were some sort of backward relation incapable of assessing or using automated equipment.

British origin

This implication is completely untrue. While manufacturing industry in Britain is less automated than in either the United States or Germany, it is almost certainly ahead of the rest of Europe, if one takes as the index the ratio of expenditure automated production equipment to total spending on machine tools, taken over the last five years.

And again it is not generally realised that in these much-examined French or German installations a great deal of the equipment is of British origin. It is not an uncommon sight to see a bank of German machine tools working in a French factory and controlled by electronics manufactured by, say, Plessey.

In fact, this company has made itself an enviable international reputation in control systems for everything from a single machine tool to a full factory floor. Over the years its designers and marketing men have been involved in work of a very advanced nature, and the experience gained from its successful installations is constantly being fed back to users and machine tool makers in the U.K.

But, of course, it comes back to the attitude that a machine tool, automated or not, is a solution to a problem rather than a piece of hardware. One classic example of this approach is the Wadkin automated range, a range which offers remarkable value for money in European terms. An interesting sidelight on the Wadkin approach is that it has applied low-cost automation to woodworking machinery as well as metal-working equipment.

Several years ago a Wiltshire engineer, Mr. James Hurn looked at the problem of devising automatic equipment that would saw timber to length to improve the efficiency of his own factory. Faced as he was with a shortage of money for development and implementation, he devised a tape control system that, while simple, must be one of the most effective ever produced. His system has now been adopted and refined by Wadkin, who see it as a way of solving production problems at low cost.

It is cost that will be the basis for so much of the new large orders that the industry is expecting during the next five years, and it is in this respect that the industry must look to its ability to take an objective view of the user's financing and his problems.

There have been suggestions from the MTTA, the first going as far back as 1962, that a new financing structure is required if the U.K. manufacturers are to avoid the substantial damage inflicted by periodic troughs and if the engineering industry in general is to be able to meet the considerable challenge of the Common Market.

It has been put forward that a solution would be to allow customer industries to purchase re-investment certificates that would keep their investment capital tax free until it was required. In this way there would be a pool of cash available for capital purchases even when trade is bad.

A similar scheme is operated in Sweden—in fact the MTTA plan has been nicknamed the Swedish Scheme—and it has worked to the benefit of machine tool manufacturers and to industry as a whole.

Because of the urgency of the situation—and there is a school of thought that suggests that the next trough may be more severe than normal as a result of Common Market membership the MTTA has set up a parliamentary "lobby" to try and put forward its ideas on the way the industry could be assisted.

But anything that is to be done must be within the guidelines on subsidies laid down by the EEC, so that there is little room for manoeuvre. In fact it seems highly probable that the MTTA will put most of its energies into assistance in marketing, something that they already do most effectively. A recent case in point was their sales mission to Japan, when £1.5m. of machine tools were sold in a very brief visit.

Changing rapidly

But the whole picture is changing rapidly. German, Italian and French manufacturers realise that if they are to maintain their growth they must take a slice of the U.K. makers' market. In the machine tool industry nobody can regard himself as being firmly entrenched with a customer. Performance, not fickleness, means that the production director must look for his facilities wherever he is offered the best value for money.

However, an encouraging aspect of the last five years is that much of the reported growth of British exports has been by repeat orders with users coming back to this country, if not the same manufacturer, for the latest tools.

With this background, the industry can be fairly sanguine about its chances of beating off the challenge from Continental Europe.

The availability of expert guidance

By TED SCHOETERS

Now that machine tool producers at long last are enjoying far better trading conditions than for many years and that the long frost in many machine shops is melting, it is time to look at the possibilities of keeping the impetus going behind these most welcome trends.

Users have had it dinned in their ears for some 15 years or so that they should throw out their old equipment and move to much more sophisticated and highly automated designs. Time and again the sponsoring Ministries have called for case studies to be made by one or other leading company at the forefront of machine or control development and these, not unnaturally, have extolled the virtues of employing the latest and the fastest equipment.

Direct Government intervention in at least two major projects has been tried, but from the large sums poured into them little benefit can now be seen to derive—none if the original target is considered.

Research associations and government laboratories proliferate advice to builders of machine tools and their users, often falling over each other to examine new technologies and recommend them. A totally new group, set up to study problems of wear, friction and lubrication as part of a single highly specialised discipline is demanding the attention of both sides of the industry which has as much to learn from the Industrial Unit of Tribology at Leeds University.

There is no lack of technical guidance and exhortation—some users say too much—but one area has been neglected. This is confidential advice to management which may not have a technical background but yet is faced with the need to make an assessment of performance of new designs using techniques which may be novel to many in the machine shop.

Modern equipment, particularly of the machining centre type, needs very careful matching to present and future requirements of a user if waste and expensive down-time is to be avoided. Old rule of thumb approaches cannot be used in the case of modern high cost machinery.

The Engineering Industry Training Board, possibly because of some of the white elephants left behind by previous official endeavours, has held a series of consultations with management and these have shown up four areas in which a special effort is needed to make the industry and its customers healthy and progressive.

Management should make much more detailed and far-reaching investment appraisals of capital plant than hitherto—and the appropriate research associations, taking a leaf out of the Ship Research Association's book, might well be the people to establish the methodology of such assessments and recruit appropriately trained staff on the management techniques and data processing side.

There is a need for engineers and accountants to obtain a better idea of how each other's disciplines operate and for management to pay greater attention to providing the trained staff and organisation needed to support powerful new equipment. Finally, the EITB says, machine tool builders themselves must become aware of appraisal methods used by customer industries to assess new equipment.

To help all this along EITB has developed an investment appraisal methodology for machine tools operating under numerical control and worked out procedures which should ensure that users will derive maximum benefit from a new investment through correct planning. It is running seminars addressed to management to provide such guidance and giving training recommendations for maintenance staff N/C programmers and operators.

It is not going to be easy to define methods which will help engineers and accountants to understand each other thoroughly and the Board has called on the Institution of Production Engineers and the Institute of Cost and Management Accountants to set up a joint working party which will examine and propose appropriate training procedures. At the same time, the Board is helping manufacturers to set up customer training services.

Meanwhile, a great deal is happening over the whole area all of which needs, if not action by the manufacturer and the user, at least a thorough awareness of what is afoot. Automation of design procedures is a case in point. Computer Assisted Design Centre in Cambridge has been quietly setting up a national network which in comparison with the much talked about ARPA multi-computer network in the U.S.—has many more useful engineering routines available. Accessible over keyboards in many areas of the country, a number of these routines can be made to yield design details ready for the machine shop, or a control tape for a specified machine tool.

CAD already has a major role in civil engineering and should play a far greater part in all the other branches of the industry to make new design more cost-effective. Value engineering takes on a new meaning when powerful analytical tools such as those at CAD Cambridge, NEL East Kilbride, and at SIA, on the latter's vast CDC6600 in London. Manipulation of data and the corresponding representation of structures on a computer-controlled display can save months of work with slide rule and drawing board.

Another area worth a closer look is the use of far harder materials and much faster spindle speeds in grinding, honing and other operations where surfaces—particularly of tough, problem materials—are abrased away. Diamond is often the only medium which can deal effectively with some of the new materials aerospace and military users have dreamt up. Again, however, the greater throughput possible with diamond grinders has to be set against higher wheel costs and this demands effective preliminary assessment by management.

The way the battle of words was initially joined, one would have expected to find most numerical control installations already replaced by mini-computers. This has not been so, however, and the development path is likely to stretch over a number of years, even though the cost of the "mini" and now the "micro" has fallen far faster than anyone could have anticipated three or four years ago when the topic was first under general discussion.

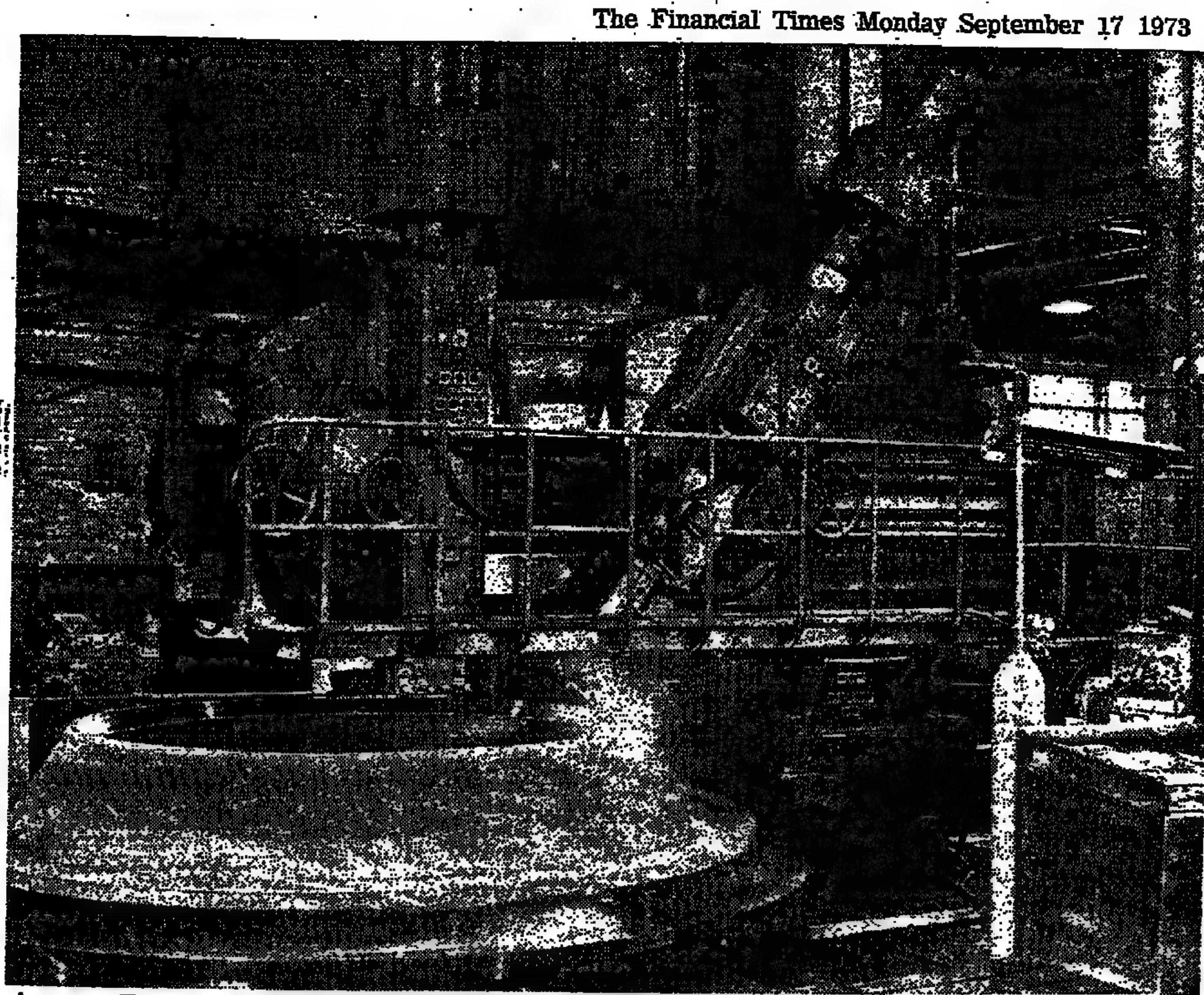
The area is one well worth watching if only because of the versatility of computers once the software side has been developed and the possibility, being explored by General Electric in the U.S., of running machine-tools from a central computer which is simultaneously doing totally different work.

This topic is not totally alien to the needs of the small user, whose throughput could be doubled simply by the retrofitting of digital in-pro[cess] gauging units. As the use [of] computer services expands will even the simplest insti[tu]tions come within their sco[pe].

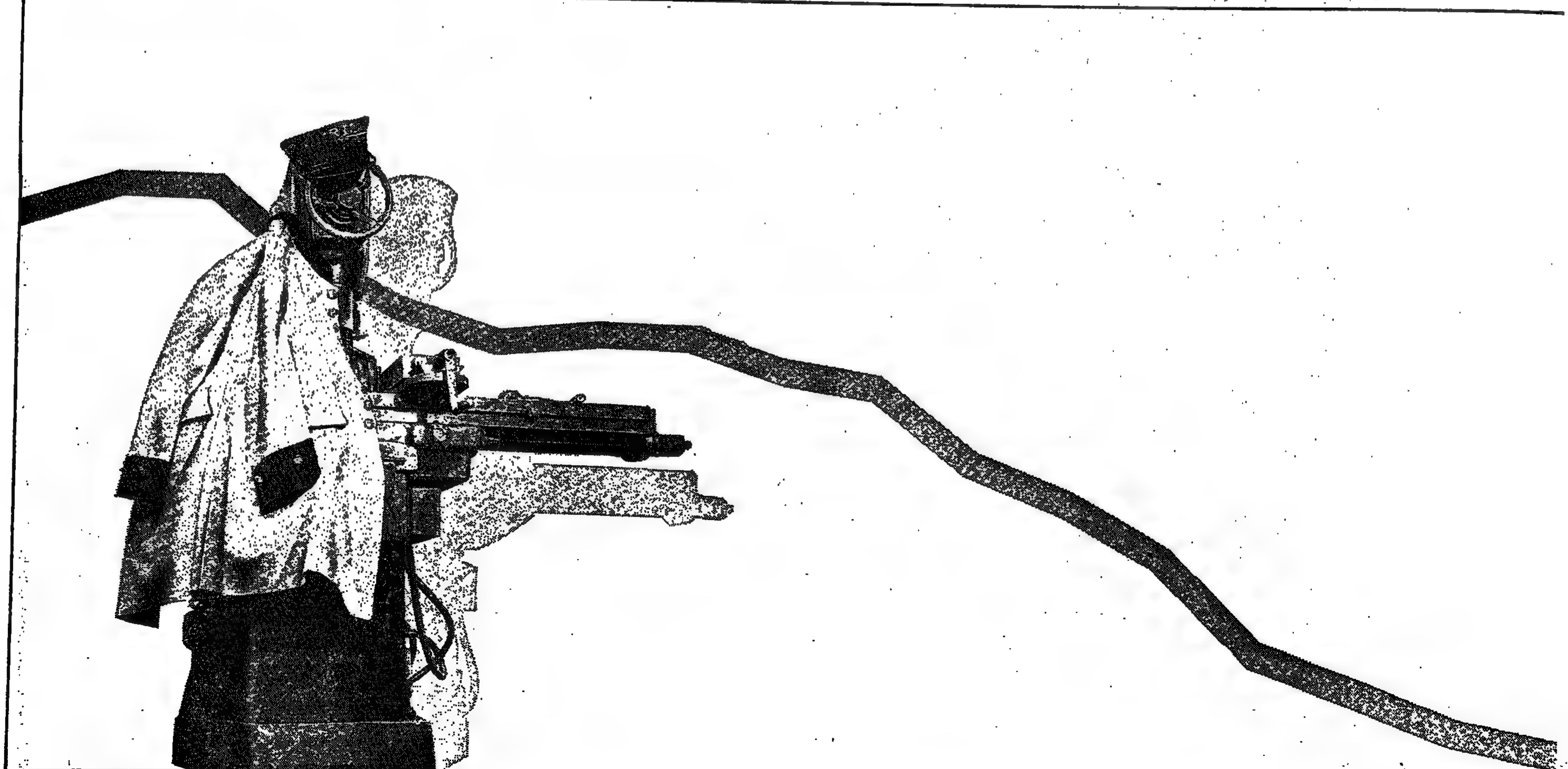
It is not without reason [that] some of the companies who [are] building a good share of numerical control and gaug[ing] equipment used in Bri[tain] foresee that they ultima[tely] may have to offer a comple[te] integrated system or ser[vice] from the design stage [right] through to the checking of [the] finished product. For the la[rger] organisations this could m[ean] a number of take-over op[era]tions and/or understand[ings] with their counterparts [in] Europe.

It is as well to remem[ber] when reflecting on developments and techni[ques] that ten years ago Britain [was] the home of the most soph[isti]cated numerical control rout[ines] in Europe, but manufactu[rers] failed to follow through [with] simple down-to-earth equip[ment] appealing to users wh[ose] requirements were an orde[r of] magnitude less exacting [than] those of the aerospace indus[try].

The new Sandvik Auto F Face Mill has extremely fine pitch and is intended for finishing at very high table feeds. Cutters in diameters 315, 400 and 500mm are made in two parts, a supporting body and a cutter body giving very quick cutting-edge changes.



An overall cost saving estimated at more than 40 per cent. on the machining of one component w[as] achieved in only a few weeks by the Head-Wrightson Company during a recent industrial applic[a]tion of the PERA plasma-assisted hot machining technique. The workpiece—one of the larg[est] to which the technique has so far been applied—was an 18 foot diameter cast steel ring weighi[ng] 22 tons and surfaced in part with a weld deposit of stainless steel.



Airing their views on Channel Four

By ARTHUR SANDLES

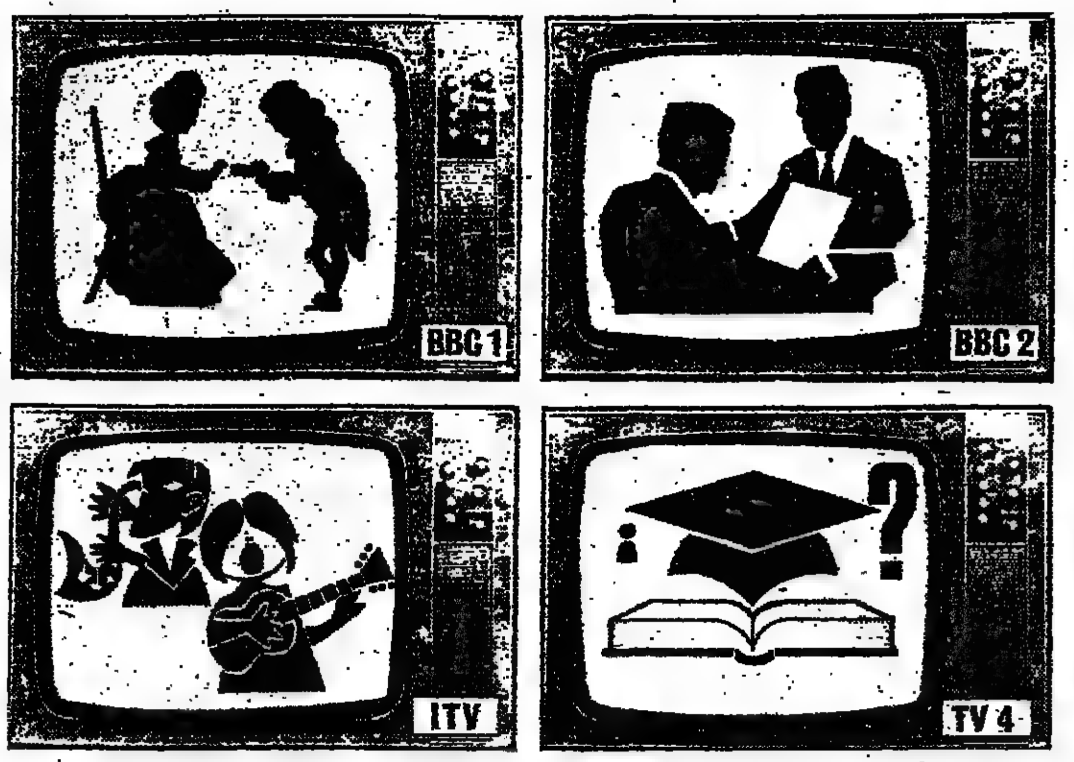
...ERE IS MORE than a sneak-... suspicion abroad that the ...ore over the fourth television ...annel is going to be all hunt ...d no kill. In fact you might ... forgiven for thinking the ...ole thing something of a ...g. There has been little ...ication of Government ...thusiasm to make a decision ...r the allocation of the chan-..., perhaps even less evidence ... consumer interest in it, ... considerable disagreement ...ween the various lobbies ...r what should happen to it. ...t only is the Government ...ed with an awkward deci-...n. It could also be expensive. ...seems unlikely now that a ...vernment out to prove that ...ncial restraint is a desirable ...ibute will encourage several ...lions to be spent on a new ...onal television service.

...arly next year is the dead-... now set by the Minister ...Posts and Telecommunica-...s, Sir John Eden, for the ...ouncement of Government ...cy over the fourth channel. ...re are several runners in ...race—a second ITV service, ...w and separate commercial ...em, a minority channel to ...le things like Welsh ...uage programmes, and ...ation. It is the latter, given ...fty and articulate boost by ...er BBC chairman Lord ... which has come up on the ...ide and is now making the ...

...ompetition

... was the re-engineering of ...sh television to a 625-line ... system which produced ... capacity for a fourth ...nally networked television ...nel. Indeed when, in the ...1980s, 405-line services ... to an end, there will be ... for two more national channels and presumably a great deal more argument about what to do with them.

First into battle for the fourth channel were the commercial television companies. In purely commercial terms theirs is still the strongest submission, although there are differences between the companies' suggestions and those made on their behalf by the Independent Broadcasting Authority. The IBA and the companies both suggest that a second commercial channel—ITV 2—would make use of the present under-utilised ITV studio and equipment facilities; would use the management structure already employed; and would enable the first commercial network to operate in true competition with BBC 1. It is argued that a great deal of experimentation and minority programming is lost to the viewer because ITV has no channel to compare with BBC 2.



Rationing

When they made the suggestion that they should get the new channel, the commercial companies were more than a little shocked by the vehemence of the reaction. Educationalists cry that it is a waste; the advertising industry wants more competition for its custom; and the communicators (for want of a better word for those TV men who feel themselves frozen out of present programming) want a new channel altogether.

The saddest turn of the wheel is the frequent suggestion that the channel should not be used at all. It is suggested that there is too much television for the available talent and that there is still plenty of time on the three present channels for the education, experimentation, minority programming and culture that is being proposed for the fourth outlet.

Unfortunately television, like radio, is currently saddled with a burden which stems from the nature of broadcasting—the need to ration. Most other forms of publishing in Britain need suffer only a small measure of censorship, via pornography laws and the Official Secrets Act, but are otherwise unrationed. Anyone with a few millions can start a newspaper or, with a few thousands, publish a book. The same is not true of broadcasting, where the availability of wavelengths makes rationing essential. However, it is a debatable point whether the right of Government to say who should have a broadcasting licence also involves the right to refuse public access to a channel which is available, and for which there are plenty of contenders.

But because the problem is so difficult, this appears now to be the route which the Government is likely to choose, and do so with the support of some very strong voices in the communications business.

But if Sir John Eden and Mr. Heath (in whose hands the decision really lies) do actually steel themselves to take the plunge, it is education which now seems to have the strongest appeal. This is partly due to the fact that an educational channel would find considerable favour among the "thinking" lobby, would not upset the BBC and its supporters, and would be difficult for the Labour Party to oppose. In fairness, it is also because there is a greater enthusiasm for education in its broadest sense than had been thought earlier. The Open University has been a remarkable success, and audience figures seem to indicate that vastly more people listen to the broadcasts than are actually involved directly in study. To pump more money and talent into this activity would, it is argued, reveal an even greater thirst for knowledge.

Cohesion

Lord Hill said that the allocation of the fourth channel to other than education would mean that the chance for "the provision of social and educational services indispensable to the cohesion of a modern technological society will have been irretrievably lost." The BBC, whose current chairman is, of course, an educationalist, has come down in favour of education but in a rather broader sense than that suggested by Lord Hill and the Open University.

The BBC argues that the Open University "is only one part of the developing field of continuing education." It went on to suggest that there was a need for substantial provision for the "disadvantaged" . . . "that is, people who have either not had or not taken up any of the existing range of higher or further educational opportunities.

"These people's needs can be summed up as remedial education, second chance education, up-dating, counselling, personal development, community education, and so on. In more concrete terms, they relate to adult literacy, to parent education, to industrial training and re-training, to social work, to management and teacher training. The list is remarkable and has its support in a range of Government departments."

In commercial terms, the nitty gritty of the BBC's argument comes with the message that a combined Open University and "continuing education" network would involve a capital expenditure of about £30m.—which is thought to be rather less than might be needed by some of the other suggestions. But—and it is a very big but—the essence of the BBC argument is that there is no need for a rush. "The allocation of a second channel to ITV would seriously disturb the present delicate balance between public and commercial services of television; a step which ought not to be taken lightly. . . .

". . . the basis for the allocation of the fourth channel should be the satisfaction of a need at present unsatisfied rather than the expansion of choice for those who already enjoy it."

One of the major arguments against an educational use for the fourth channel is that the audience, however large by educational standards, would be small in television terms. This audience would be more satisfactorily served, and certainly more cheaply served, by an extension of cable and cassette systems. Cables, with a multi-channel capability, are considerably more flexible than ordinary services in the sense that you can have half a dozen or more lessons being transmitted simultaneously from a central source. The disadvantage is that a cable system based in Birmingham or London is of little use to the old lady in North Wales who is keen to see a programme on botany.

The cost

Cassettes meet that complaint. But this time the problem is one of cost to the consumer. Even assuming that authorities, educational, local or state, were prepared to operate free cassette libraries as a social service, someone has to pay for the play-back equipment, which means an investment of £100 or more even on a mass production basis. This may prove too much for the very people which the educational lobby is trying to attract.

The real meat of any argument against another BBC-2 type programme is that there is not enough talent around to feed it. This is contested fiercely by those independent producers and film-makers who claim that they cannot get their programmes on to the screens. But it is given some support by the evidence of one's own eyes. It is certainly the argument which appears to have struck home hardest at the Ministry of Posts and Telecommunications. The Minister is likely to seek very strong assurances indeed from the proposers of any fourth channel idea that there is sufficient material to feed it. Protests that there is sufficient material around are likely to be met with the riposte—"well, why are you not using it now?"

Comedies

The answer is, of course, that entertainment, in the pop sense, is pretty hard stretched by the present number of hours. Sir John Eden and Mr. Heath would hardly be impressed by a recipe of new situation comedies or repeats of the present ones. However, the scope for "feature" material on television is almost boundless. Whether a Government of any colour would want an abundance of such programming is open to question. There is little doubt that television has done a great deal to educate the public into asking "why?" It is in answering that question, particularly on social and political issues, that both newspapers and television might come in for establishment disapproval. A channel which went further than this—say, in offering more open access programmes for minority opinions—could cause something of a fuss.

So whichever way he turns, Sir John faces embarrassing decisions. Like other Ministers before him, he has found the television lobbyists numerous, vocal, and agile in their arguments. Trying to keep his mind open as the protagonists thunder on his door must be extremely difficult.

...abour News

...Motor plants face ...more disruption

PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

... motor industry faces ...r week of disruption, ... by continuing strikes at ...er U.K. and the Adwest ...ering component com-... against a background of ... car imports.

...sler U.K. car plants at ...ry and Linwood, Scotland, ... a standstill, with 10,000 ... a result of the contin-...lectricians' strike. The ...y has so far lost about ... vehicles, worth at retail ... more than £20m.

... the resumption at ... Breeden's five Birming-...mponent factories after ...e-week stoppage will ... pressure on the motor ..., and 9,000 Vauxhall ... are returning after a ...strike about lay-off pay, ...ure serious strike at ... Engineering, Reading, is ...ing.

...riday, crucial meetings ...t had been hoped, would ...vay of breaking the im-...t Chrysler and Adwest ...ith the sides as far apart ...

...varning

...trike by 156 electricians ... two Chrysler U.K. ... plants enters its ... week with the Electrical ...umbing Trades Union ...ig adamant in its ... for an extra £250 a year ... status.

...eting called by the ...ent of Employment in ...n Friday broke up with-... two sides coming to-... While the company ex-...ts readiness for further ...s difficult to see what ...itiative can be taken ...e a quick resumption.

...er U.K. has been warned ...ay Board that it cannot ... than the £190 offered ...ase Two of Government ...n, and that if it does, ... will be blocked.

...wood, where Hunters ...s are made, all 7,000 ... have been idle for ... fortnight since produc-...kers defied union instructions by walking out in support of the electricians. Because Linwood supplies the Avenger plant at Coventry with body pressings, that, too, is at a standstill, with 3,000 laid off and 1,800 soon to join them after the annual inventory, on which they have been found work, is completed.

More lay-offs likely

Adwest Engineering is the sole supplier of power steering units to most of the motor and allied industries. So far only Jaguar, with more than 2,000 laid off at Coventry, is affected. But all other customers, including British Leyland, Ford, Jensen, Aston Martin and Lancing Bagnall have had to reschedule production. Lay-offs at some plants cannot be delayed for much longer.

Opposition to closure of the Triumph motor-cycle factory at Meriden, near Coventry, by February with the loss of 1,750 jobs, appears to be growing.

The decision, announced on Friday by Mr. Dennis Poore, chairman of Norton Villiers Triumph and of the parent company, Manganese Bronze, left undisclosed the amount of redundancy pay to be expected.

This is likely to be a principal topic in future discussions among the workers, who are in the £55-£60-a-week bracket and the highest paid in their area.

Two local MPs, Mr. Maurice Edelman (Coventry North) and Mr. Leslie Huckfield (Nuneaton), have complained to Mr. Christopher Chataway, Minister for Industrial Development, of lack of consultation and called attention to the Government's involvement of nearly £5m. in the merger with BSA that produced NVT. They are expected to see Mr. Chataway to-day or to-morrow.

A settlement is expected early this week of the strike by 250 cycle assemblers at Raleigh Industries, Nottingham, who walked out after the management refused to remove a man who defied an overtime ban.

...posed EPTU officer ...s fresh support

...UPPORT for Mr. Mark ...he deposed Electrical ...nbing Trades Union ...fficer, came yesterday ...resentatives of other ... the union.

...ing has been resisting ...on of the EPTU execu-...d his appointment, but ...of other officials have ... continue recognising ...

...oup is also to raise ...union its whole policy ... employing full-time ...n seek an explanation ...or officially given—for ...on not to renew Mr. ...ppointment.

...ile, Mr. Young has ... continue his one-man ... and turn up for work ... headquarters Mr. ...pple, the union's presi-...general secretary, has ...id, however, that Mr. ... duties have been re-allocated.

Last week leaders of other unions on the trade union side of the Civil Air Transport National Joint Council asked Mr. Young to stay on as their secretary. He has been a critic of the EPTU leadership and in any election for a new general secretary would be a strong candidate.

TWO BARGAINING ISSUES FOR CIR

By Our Labour Staff

The issues of bargaining rights among staff at the Temperance Permanent Building Society and among the U.K. staff of the Mitsubishi Bank have been referred to the Commission on Industrial Relations by the National Industrial Relations Court. The separate references followed applications from the National Union of Bank Employees.

INTERNATIONAL INDUSTRY REPORT

U.K., Italy fail to benefit from world-wide rise in car demand

BY OUR INDUSTRIAL AND FOREIGN STAFF

BRITAIN AND Italy are the only two of the major car-producing nations which have failed to benefit from the world-wide boom in car demand so far this year.

As the figures in the table show, the British and Italian industries recorded significant falls in both production and exports in the first half year, whereas their main competitors in export markets all achieved increases.

	PRODUCTION		EXPORTS	
	No. of units (000)	% change on 1972	No. of units (000)	% change on 1972
U.S.	5,418*	+15.4	n.a.	
Japan	2,610	+14.9	721*	+ 6.1
Germany	2,212	+ 5.9	1,293	+ 9.7
France	1,586*	+ 5.0	947*	+ 7.3
U.K.	1,026	− 8.4	356	− 4.6
Italy	846*	−10.6	316*	−15.7

*The figures marked with an asterisk cover the period January-June. The others refer to January-July.

The performance of Britain and Italy was particularly disappointing, since they were the countries likely to benefit most from the currency realignments of the past two years. In the case of the U.K., exports had dropped sharply in 1972 and some recovery had been looked for in the current year.

Both countries have suffered from serious labour disputes which have kept output well below capacity.

The British industry's inability to meet its production targets was the main reason for the further advance in imported car sales. In August they reached over 30 per cent. of the market.

Buoyant

Biggest production gains were achieved by the U.S., the major car-producing country. The remarkable buoyancy of domestic demand has persisted longer than observers of the industry had expected, and the American producers have been able to gear themselves for a substantial increase in output, especially of smaller cars.

Demand for imports has continued to be very strong, but the importers' share of the market has not shown any spectacular rise this year.

Japan, the world's second largest car builder, has continued to maintain its growth. Home demand has been especially strong this year, but despite the unfavourable effects of the currency changes Japanese car exports have continued to increase.

Some slackening of exports over the next few months is likely, partly because of the serious shortage of steel in Japan which may force manufacturers to cut back production schedules. The effect of higher prices in export markets may also make itself felt.

In Germany, too, manufacturers have recently been expressing caution about the future trend of exports, in light of the currency changes and the increasing cost of manufacturing within Germany.

Volkswagen, in particular, has indicated that more emphasis is likely to be placed on the build-up of manufacturing capacity outside Germany. Studies are under way into the possibility of assembling in the U.S., Volkswagen's biggest export market.

France, now exporting a considerably larger proportion of its output than the U.K., achieved a 7.3 per cent. gain in exports in the first half year.

Although the home market has continued to expand—registrations were up by 7.6 per cent.—the share of imports (in marked contrast to the U.K.) fell slightly from 20.6 per cent. to about 20 per cent.

Both the U.K. and Italy are expecting a much-improved performance for the balance of the year. In Italy, July was a near-record month for production and the industry is expecting to catch up both on output and exports in the next few months.

In the U.K. the position has recently been improving, with the export figure in July higher than a year earlier. August, too, showed an improved production trend. The latest crop of labour troubles in the industry could, however, frustrate the industry's hopes once again.

Building societies studying 35-year house loans

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

BRITAIN'S BUILDING societies are studying the possibility of lengthening the mortgage repayment period from 20 or 25 years to 35 years and of establishing a link between interest rates and the cost-of-living index.

This is part of the rethinking which is now going on among members of the Building Societies Association, partly in response to Government prompting.

Nevertheless, although recent Government intervention appears to have had the effect of making the building society movement take a new look at the provision of housing funds, week-end criticism of the societies by the Prime Minister will not be well received.

Mr. Heath, in a tough speech, said he was not satisfied with the present system of house purchase finance and believed it needed to be a good deal more flexible and imaginative.

The Prime Minister's statement follows Friday's decision by the movement to raise the mortgage rate to 11 per cent., the third increase this year, and to put up the interest rate paid to its 13m investors from 6.75 per cent. net to 7.50 per cent.

Mr. Heath, who explained that he was particularly anxious that first-time house buyers should be helped, said that discussions with the building societies are now "well advanced."

Mr. Norman Griggs, general secretary of the Building Societies Association, hit back at the Prime Minister's criticism last night.

He said that building societies had operated successfully for 100 years and now faced difficulties largely caused by high interest rates, for which the Government was responsible.

"The problems we face have come about because of the monetary policies which have been pursued, and there is no way the building societies can avoid this," he said.

It is clear that although building society leaders will not like the Prime Minister's remarks they are well aware, like him, of the need to help first-time house buyers.

Although they regard Mr. Heath's interest as mainly political, they are anxious to encourage new buyers as much as possible because it is only in this way that the whole house purchase programme can be kept going.

It is for this reason that they are looking at the idea of extending the mortgage repayment period to 35 years, something which has only been tried by the Alliance and Nationwide societies so far.

Some encouragement may be taken by the other societies, however, from their experience. Although the two societies have allowed some borrowers 35-year mortgages for some time they have not run up against the problem of bad debts which many societies fear.

The central issue which the Building Societies Association is discussing with the Prime Minister is that of trying to even out the supply of mortgage funds and to generally stabilise the lending situation.

The week-end also brought the accusation from a West End estate agent, Mr. Richard Berry, a director of Gross Fine and Krieger Chalfen, that it is not the banks who have been wooing savings away from the building societies but local authorities, who are prepared to pay rates of as much as 14 per cent.

"With pressures building up for a cut-back in State spending the Government would find it embarrassing to meet local authority financing needs to any great extent itself," Mr. Berry said.

Heath calls for more flexible scheme, Page 11

GLC seeks £35m. Swiss loan

BY MARY CAMPBELL

THE Greater London Council is negotiating a Swiss franc loan equivalent to £35m. from a group of banks headed by Swiss Bank Corporation. The loan would be for seven years and it is thought that the appropriate interest rate would be 7¾ per cent.

Unlike the many other local authority borrowings overseas negotiated since the Budget, the GLC loan will not be covered by the Treasury against the risk of a devaluation of sterling, before repayment becomes due. The GLC will be shouldering this foreign exchange risk itself.

Since negotiation of the loan is still incomplete, no decisions have yet been taken on how the money will be used. No particular allocation has been made and the funds would either be put into the GLC pool or, possibly, re-lent to other London borough councils which do not have the right to borrow foreign funds directly.

The GLC has an application lodged with the Treasury for permission to allocate £25m. to its mortgage fund, which is now exhausted. This application, however, is quite separate from the negotiations for the Swiss loan.

COMPANY NEWS + COMMENT

Laird forecasts profit and dividend rise

TAXABLE profits of over £6m., against £5,260,000 previously, and an increase in the dividend total from 12.5 per cent. to a maximum presently allowable 13.125 per cent., are forecast for 1973 by the Laird Group, whose activities cover transport and aviation, metal industries, motor components and other engineering and shiprepairing.

The interim report shows that first half profit has advanced from £2,549,000 to £3,081,000, with the net attributable figure up from £1,674,000 to £1,881,000—£3,786,000 for all 1972.

And the directors say they anticipate that profit for the second half, to December 31, will not be less than that for the first half.

The interim dividend is lifted from 6.25 per cent. to 6.5 per cent. gross, with payment delayed until January 1 for tax reasons, and it is intended to recommend a final of 6.625 per cent. against 6.25 per cent.

	Half year 1973 £000	1972 £000	Year 1972 £000
Turnover	33,832	29,995	64,425
Profit	3,081	2,549	5,269
Tax	1,175	870	1,816
Profit after tax	1,906	1,679	3,453
Minorities	23	3	5
Extraordinary items	—	—	341
Attributable	1,881	1,676	3,786
Dividends	410	565	908
Retained	1,471	1,111	2,878

The foreign tax charge is £275,000 and the U.K. charge is again sub-normal. The comparative U.K. tax charge for the first half of 1972 has been adjusted proportionately to profits for the whole year.

Statement Page 29
See Lex

INDEX TO COMPANY HIGHLIGHTS

Family Trust to top forecast

An interim dividend equal to 1.4p gross, 0.98p net, absorbing £43,120 is declared by the Family Investment Trust and the directors expect to repeat this payment as a final for the year to January 31, 1974. A total of not less than 2.5p was forecast in last January's offer for sale.

Available revenue for the six months to July 31, 1973, was £54,830 after tax of £39,841 equal to 1.25p net—1.78p gross—per 25p share.

At July 31, 1973, investments were valued at £2,994,225 (£3,031,052 at January 31, 1973, and £2,021,549 at September 30, 1972) or 67p (69p and 70p) per share xd, including 100 per cent. of the Investment Dollar Premium, £18,393 (£29,047 and £22,717).

Apex Props. pays more

From earnings of 2.11p, against 1.85p, per 10p share Apex Properties, a close company, is stepping up its dividend by 0.5409p to a gross equivalent 2.1409p for the year ended March 31, 1973. The net dividend is 1.4986p.

Turnover is shown at £330,457 compared with £316,005 and profit comes to £125,366, against £110,029, subject to tax £49,687 (£43,656).

United British Secs. sees improvement

Despite many uncertainties, current year income of United British Securities Trust should show a distinct improvement over the £1.85m. for the year to June 30, 1973, says the chairman, Sir Geoffrey Kitchen.

Should this estimate be confirmed it is intended to raise the net dividend from 4p to at least 4.5p per share—2p in January and not less than 2.5p in August.

As reported on July 11 net revenue available for distribution for the past year was £951,640 (£919,109). Net asset value per Ordinary was £2.75 (£2.57).

Advantage was taken of the rise in the value of the Far Eastern investments by taking some substantial profits, while still retaining a good interest in that part of the world. The profits taken are reflected by the large increase in the capital reserve to £16m. and in the provision of £1.26m. in respect of the tax liability on capital gains.

Part of the proceeds have been re-invested in U.S., Japan and the U.K., but there are still substantial cash balances to use when suitable investment opportunities occur, the chairman adds.

Meeting, 83, Cannon Street, E.C., October 9, noon.

Dent Fownes profit

ON A TURNOVER of £2,557,009, against £2,328,237, Dent Fownes, glove manufacturers and warehousemen, has achieved a turnround from a loss of £212,140 to a profit of £69,311 in the year ended January 19, 1973.

After overseas tax £13,153 (£1,306 U.K. credit) and minorities the attributable profit balance is £53,041 (£210,834 deficit).

An extraordinary item, not included in the profits is a surplus of £61,339 (£96,187) transferred to reserve.

Elys (Wimbledon) prospects

SUBJECT TO the requirements of Phase Three, the directors of departmental stores, Elys (Wimbledon) hope that net profit for the current year will match the £90,809 for the year to January 27, 1973.

As known first half group sales increased from £1,216,121 to £1,298,284 after deducting £77,227 VAT, and pre-tax profit was £32,607 (£31,013). The net figure was £19,564 (£18,608).

Last May the chairman warned that there were two influences which could adversely affect the annual results. First, the heavy bank interest charges required to finance the purchase in 1972 of the freehold property adjoining the Wimbledon store which it is the intention to redevelop with all possible speed. Second, the reassessment of the Wimbledon properties, which despite a reduction in the local rate poundage, requires an additional payment in a full year of £15,000—these assessments are being contested.

Christie Tyler growth

DESPITE THE normal seasonal down-turn in trade being experienced, the current year of Christie-Tyler has started off well with sales and profits for the first quarter around double those for the corresponding period last year, says the chairman, Mr. G. M. Williams.

Providing the general economic position undergoes no drastic change—in particular no re-introduction of the old style credit restriction—he expects the year to be one of further progress.

The company is well established in all sectors of the upholstery industry and is well placed to seize the opportunities for continued expansion, he adds.

As reported on July 25 profit before tax for the year to April 30, 1973, was £1,530,302, compared with £571,024 in 1972 and exceeds the forecast made at the time of the issue in November by some £580,000. It was earned from sales 58 per cent. up at £10m. the dividend is 5.7p gross (4p forecast).

All subsidiaries traded profitably and at greatly increased volumes.

As at August 14 Industrial and Commercial Finance Corporation held 1,964,336 Ordinary 10p shares. Meeting Cardiff, October 8, noon.

● comment

The full accounts of Christie Tyler indicate a general increase of efficiency, with stockturn up from 14.8 times to 18.1 times and sales per employee rising strongly from £5,300 to £6,300. At 86p, a current net p/e of 6.9, backed up by a dividend yield of 6.6 per cent., seems to be discounting most of the downturn possibilities for consumer durables.

Chairman's statement Page 11

Thomas Walker earnings and dividend up

Turnover of Thomas Walker increased marginally from £1,100,535 to £1,112,973 for the year to June 30, 1973, while pre-tax profit advanced from £121,163 to £164,252. Earnings per 5p share are shown at 1.81p against 1.24p.

A final dividend of 0.469p net lifts the net total to 0.644p from 0.536p.

Net profit came out at £108,528 (£74,290), after tax of £55,724 (£46,873). Cost of the dividend is £38,640 (£32,156) net or £55,200 (£52,500) gross. The company makes metal small wares for the clothing and allied trades.

Mr. L. Rowan Bentall, chairman of Bentalls, the stores group, which is due to announce its six-month figures to-day.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Laird Group ....int.	6.5(a)	Jan. 1	6.25	—	12.5

* Equivalent after allowing for scrip issue. † Pence per share. ‡ On capital increased by rights and/or acquisition issues. § Net equal to last year's gross. (a) Gross—13.125 per cent. total forecast.

Cavenham seeks quote on Amsterdam

Cavenham is seeking a quotation on the Amsterdam Stock Exchange it was learned in Amsterdam yesterday.

The shares will be introduced in the form of Continental Depositary Receipts (CDRs), each representing 50 Ordinary shares of 25p each.

Crystalate to improve

Reflecting extraordinary charges of £134,000 Crystalate (Holdings) incurred a net loss of £134,000 for the six months to March 31, 1973. This compares with a loss of £153,000, after £56,000 extraordinary charges, for the nine months to December 31, 1971. For the 18 months period to September 30, 1972 there was a loss of £435,000.

The directors say the results achieved by the main activities in the second half will show still further improvement.

The charge of £134,000 covers the loss in respect of the disposal of five companies. But the directors are hopeful that the losses, when finally determined, will prove not to be as great as £134,000. The company manufactures electronic components and plastic mouldings.

	6 months 1972-73 £000	9 months 1971 £000
Sales	1,309	2,121
Profit before tax	10	*283
Tax credit	—	55
Minorities	—	†15
Extraordinary credits	—	113
Extraordry. charges	134	56
Net loss	124	153

* Loss included pre-acquisition results. † Losses.

Throgmorton Secured

A final dividend of equal to 5¼ per cent. gross—3.675 per cent. net—by Throgmorton Secured Growth Trust lifts the gross total from 8¼ per cent. to 8¾ per cent. for the year to July 31, 1973.

Net revenue, after tax, improved from £131,156 to £147,176, as shown in the table.

	1972-73 £	1971-72 £
Revenue	236,453	213,696
Taxation	89,277	82,540
Net revenue	147,176	131,156
Dividends	145,469	130,271
Tax on distributions	*—	4,934
Retained	1,707	2,973

* After deducting £73,391 already borne on franked income.

Net asset value of the £1 Capital loan stock, after deducting debenture stock at middle market price of £75 xd (£83 xd) is shown at 154.5p (197.4p).

ISSUE NEWS AND COMMENT

James Austin Steel offer for sale

Lists open on Thursday, September 20, for the offer for sale by brokers Rowe Swann and Co. of 1,075,000 Ordinary 25p shares in James Austin Steel Holdings at 67p per share.

James Austin's business comprises two divisions, steel stockholding and structural engineering. The steel stockholding division specialises in the heavier types of black steel, chiefly heavy and medium plates and engineering, structural and shipbuilding sections. The structural engineering division undertakes the detailed design and fabrication of structural steel for delivery at home and abroad, and in the U.K. provides erection on site if required. Through its subsidiary, A. J. Riley, Austin designs and constructs plant such as pressure vessels, storage tanks, heat exchangers and fractionating and other columns for a wide range of customers.

Turnover of the steel stockholding side has risen from £1.71m. in 1968-69 to £2.95m. in 1972-73 after a peak of £3.39m. in 1970-71. Over the same period, turnover of structural engineering has moved from £649,000 to £830,000 and that for Riley from £217,000 to £309,000.

Pre-tax profits of the group have risen from £86,000 in 1968-69 to £367,000 in 1972-73 after a peak of £451,000 in 1970-71. For the current year ending March 31, 1974, pre-tax profits are forecast at £500,000. On the basis of these profits the directors intend to pay dividends totalling 3.5p. At the offer price the dividend yield would be 7.8 per cent. and the p/e 8.04.

Dealings are expected to start on Wednesday, September 26.

● comment

James Austin has got its timing right from a trading angle, with the steel stockholding sector enjoying record demand; but conditions are against it in the Stock Exchange, where a bear market has been in force for nearly a year. On the trading front the level of demand from industry for steel has been such that the British Steel Corporation has been forced to ration supplies. This apart, the stockholders would be looking for 50 per cent.-plus in profits growth this year. As it is, Austin is budgeting for 36 per cent. after a poorer-than-average performance in 1972-73 reflecting its dependence on the heavy end of industry. But much of this projected growth is discounted in the offer rating, with companies like Brown and Tawse and G. M. Firth on probable prospective ratings of around 8. The success of the Austin issue would therefore seem to depend on its above-average yield and on a sustained recovery in the market.

Prospectus Pages 28 and 29

BG Securities quotation

BG Securities, an industrial satellite of Slater Walker Securities (South Africa) has applied to the London Stock Exchange fo[r] listing of its 4.27m. Ordin[ary] shares of 50 cents each.

Until February, 1972, w[hen] SWSA acquired a 30 per c[ent.] stake, the company was invol[ved] only in footwear and leat[her]. Four major acquisitions in [...] have created a diverse gr[oup]. Stan Optical Holdings manu[fac]tures spectacles and con[tact] lenses and also has a large t[urn]over in sunglasses and ophtha[lmic] instruments. Profits before [tax] for the year ended December 1972, were R251,000.

Cymot Holdings (Pty.) ca[rries] on business as a wholesale[r of] motor spares, accessories [and] bicycles with a national net[work] of branches throughout S[outh] Africa. Pre-tax profits [rose] steadily to a peak of R38[...] in 1971 and amounted to R38[...] in 1972.

Universal Metal Holdings ([...]) buys and reprocesses metals [for] re-sale through its branche[s in] three of South Africa's four [pro]vinces and South West Af[rica]. The profits trend has been er[ratic] and in 1972 amounted to R32[...] before tax.

Finally, there is Union Wha[ling] with its fleet of seven w[hale] catchers and a factory in Du[rban] making whale oil and allied [pro]ducts for food, cosmetics, [lubri]cants and fertilizers.

Profits of this company [have] risen dramatically from a lo[ss in] 1968 of R12,000 to R819,000 [in] the year ended September 1972. Over that period turn[over] has increased from R1.4m [to] R3.1m.

Turnover for the whole g[roup] was R29.7m., although this fi[gure] includes 18-month periods fo[r] footwear and motor compo[nents]. That sales figure produced p[rofits] before tax of R1.983m.

The directors have for[ecast] group earnings per share [of at] least 20.2c for the 12 mo[nths] to December 31, 1973, equiv[alent] to earnings during the pre[vious] 18-month period, and a divi[dend] of 13c a share. In April this [year] the group raised R2.094m. [...] per cent. partly conver[tible] unsecured notes.

London brokers to the i[ssue] are Hedderwick Borthwick.

● comment

The main reason for this Lo[ndon] listing is to facilitate tradi[ng in] the 1m. or so shares in [BG] Securities held in London. A[s to] prospects, the interim state[ment] issued last month showed ear[nings] of 8.9c per share, suggesting the forecast 20.2c for the [year] should be reached, since mo[st of] the profits are earned in [the] second half. That puts the s[hares] on a prospective p/e of 11 at [...]. The equivalent London pri[ce is] around 110p. The group sh[ould] benefit from its association [with] SWSA and has plans to [make] further acquisitions which sh[ould] help growth. It is too soon, [how]ever, to gauge the managem[ent's] efficiency in managing su[ch a] diverse group. A question[mark hangs] over prospects for the S[outh] African industrial share mar[ket] the possibility of interest [rates] rising from the current low [...] Bank Rate is 5½ per cent. [...] inflation is in double figures.

Particulars Pages 31-3[...]

INTERIM STATEMENT

Pearson Longman

Unaudited results for the half-year to 30th June 1973

DIVIDEND

The directors have declared an interim dividend on the ordinary share capital of the company of 1.4p per share which, together with the tax credit of 0.6p per share to which United Kingdom shareholders are entitled, will be equivalent to a gross dividend of 2.0p per share, compared with 1.875p last year. This dividend will be due and payable on 4th January 1974 to shareholders on the register of members at the close of business on 30th November 1973.

RESULTS (See notes)

	Half-year to 30th June 1973 £000	1972 £000	Year to 31st Dec. 1972 £000
Turnover	37,777	30,741	64,976
Profit before taxation			
The company and its subsidiaries	7,226	4,708	10,671
Associated companies	803	368	1,123
	8,029	5,076	11,794
Taxation thereon			
The company and its subsidiaries			
United Kingdom	3,231	1,743	4,035
Overseas	236	274	454
	3,467	2,017	4,489
Associated companies	369	231	696
	3,836	2,248	5,185
Profit of the group after taxation	4,193	2,828	6,609
Profit attributable to minority interests	80	45	104
Profit after taxation attributable to Pearson Longman Limited	4,113	2,783	6,505

	Pence per share 1973	1972		
Dividends				
preference (1972 gross)			11	16
ordinary interim (1972 gross)	1.4	1.875	577	773
tax credit to shareholders	0.6			
	2.0	1.875	588	789

Notes:

1. The rate of United Kingdom corporation tax has been assumed to be 50 per cent from 1st April 1973. United Kingdom tax for the first half of 1973 has been calculated at the estimated average rate for the year as a whole compared with 40 per cent in 1972.
2. No account has been taken in these interim figures of differences which would arise on reconverting net assets in overseas currencies at the exchange rates ruling on 30th June.
3. Payment of the interim dividend has been delayed by two months in order to minimise the company's liability to taxation under the transitional provisions of the Finance Act 1972.

Pearson Longman Limited

Registered Office: Bracken House, Cannon Street, London EC4P 4BY

UNIT TRUSTS

TOWER ASSURANCE HIGH INCOME

Tower Assurance Advisory Services is making a limited offer of the Secure High Income Plan underwritten by Castle Life Assurance. The Plan is for a five year term and will produce an income ranging from 11.5 per cent. per annum net of basic rate tax at age 18, rising to 12.02 per cent. per annum at ages 61 an dover. Minimum investment is £1,000.

The basis of the current Plan is that the insurance company will make a loan to the investor of 80 per cent. of the purchase price of a Guaranteed Income Bond, that is, for each £1,000 invested the insurance company will loan a further £4,000. The effect of income tax relief at basic rate is to "gear up" the yield to the investor. As a protection against adverse legislation the plan may be cashed in without penalty after only three years.

Castle Life is a new company, backed by a Lloyds underwriting syndicate.

S & P GENERAL PAYMENT UP

Latest distribution from Save and Prosper General Units is 65p per 100 units, a substantial increase on the comparamle 1972 payment of 46p per 100 units.

In his report on the half-year to July 31, Mr. Maitland, managing director of Save and Prosper Group, says that despite the prspect of further restraints on dividends, the managers hope to continue the consistent record of increased distributions in the next 12 months.

A high level of liquidity, over 10 per cent., due to the prevailing adverse market conditions and the high rates of interest available on short-term deposits in the money markets, has been maintained.

Elsewhere, holding in the non-durable consumer goods sector were reduced from 25.7 per cent. of the trust to 18.4 per cent. in anticipation of a reduction in consumer spending.

COLEMCO TRUST

Distribution on the Income Units of the Colemco Trust for the first accounting period February 2, 1973, to September 13, 1973, will be 1.411p net per unit, payable on October 20. The corresponding retention for Accumulation Units is 1.411p net.

The Trust was initially established to serve the clients of a firm of London stockbrokers, although units are also available to the public, through the managers—Transatlantic and General Securities Company.

BARCLAYS UNICORN SHARE EXCHANGE

Barclays Unicorn has experienced a large increase in the value of shareholdings offered for reinvestment in a Unicorn unit trust under its Share Exchange Plan, it is stated.

Since promotion began in June the value of shareholdings exchanged each month has more than doubled. In August the figure was £188,000.

RESULTS AND ACCOUNTS IN BRIEF

ABWOOD MACHINE TOOL—No dividend (same) for year ended March 31, 1973. Group net profit £4,745 (£1,202), after tax £3,600 (nil). To debenture redemption fund £1,078 (same), provision for deferred tax £12,000 (nil) and forward £28,344 (£36,679). Meeting, Dartford, November 15 at 10.30 a.m.

AFRIKANDER LEASE (A.F.C. Group)—Results year to June 30, 1973, already known. Mining assets R1.81m. (same), less capital reserve R1.77m. (same). Meeting, Johannesburg, October 3, at 11 a.m.

ALBANY INVESTMENT TRUST—Interim dividend 0.315p net equal to 0.45p gross (0.40p and total 1.13p) for year to February 28, 1974. Gross revenue, half-year to August 31, 1973, £43,733 (£37,297 and £86,713 for year). Break-up value per share 31.75p (38.66p and 34.29p).

CENTRAL SOUTH AFRICAN LANDS AND MINES—Results year to June 30, 1973 already known. Investments R4.06m. (R2.89m.). Net asset value per share 90.70 (39.14) cents. Meeting, Johannesburg, Oct. 5.

HARROTT AND COMPANY (knitwear and hosiery makers—controlled by Kennedy Smale)—Turnover year ended March 31, 1973, £586,089 (£395,724 for nine months) and profit £71,940 (£48,214), less tax £28,730 (£6,133). Fixed assets £102,272 (£91,693). Net current assets £123,918 (£80,777). Chairman looks forward to another not unreasonable year's trading. Meeting, Macclesfield, October 4 at 3 p.m.

JOS HOLDINGS—Final dividend 1.0p net making 2.0536p gross (2p) for the year to July 31, 1973. Gross revenue £131,479 (£116,944). Revenue £95,816 (£92,024) before tax of £34,652 (£34,531). Available Ordinary £61,164 (£57,493). Dividend £39,962 (£30,331). Forward £121,936 (£119,834). Net asset value per 25p share 61p (69½)—full dollar premium is included where appropriate. At July 31 a contingent liability for capital gains tax of 2½p per share would have arisen if entire investments had been realised.

LONDON AND GARTMORE INVESTMENT TRUST—Gross revenue year to June 30, 1973, £269,969 (£153,652 for seven months), less interest, etc., £236,106 (£124,329), tax £7,109 (£7,836), leaving £20,732 (£1,277). Ordinary dividends 0.2p per share £8,500 (nil), forward £10,971 (£1,719 brought in). Investments £6.39m. (£6.24m.), valued £5.99m. (£6.31m.). Total funds £6.29m. (£7.13m.). Net asset value per 50p share 93p (112p). Meeting, 2, St. Mary Axe, E.C., October 9, noon.

NORTHERN AND TRANSATLANTIC TRUST—Final dividend 1.4p net equal to 8 per cent. gross making 15½ per cent. (same) for year to March 31, 1973. Profit £11,518 (£10,335) after tax of £9,048 (£6,841).

WAY HOLDINGS (plastering and flooring contractors)—Profit year to April 1, 1973, £10,340 (£10,286), less tax £5,[illegible]00 (£7,000). No dividend (same).

WILKINSON SWORD—Results for six months ended June 30, 1973, reported September 14 with chairman's remarks. U.K. tax took—£000s omitted—£273 (£157) and overseas £513 (£284), leaving £805 (£585). Minorities £48 (£140). Available £757 (£[illegible]).

Pending dividends timetable

For the convenience of readers, the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

	Date	Announcement last year
…ance Laundries	Oct. 5	Int. 4%
…al Metal	Sept. 29	Int. due
…ociated Biscuit	Oct. 13	Int. 8%
…ociated Fisheries	Sept. 20	Int. 7%
…A. Group	Sept. 19	Int. 6%
…	Sept. 20	Int. 5½%
…	Sept. 20	Int. 10.8% §
…k of Scotland	Sept. 18	Int. 10%
…ker McConnell	Sept. 20	Int. 4%
…vthorpe	Oct. 6	Int. 5½%
…stol Street Group	Oct. 10	Int. 10¼%
…tish Home Stores	Oct. 20	Int. 14%
…tish Ropes	Sept. 20	Int. 7%
…ok St. Bureau	Aug. 31	Int. 16%
…tzi Pulp	Oct. 5	Int. 10.8%
…rmah Oil	Sept. 28	Int. 6¼%
…lbury Schweppes	Sept. 29	Int. 8%
…e Asbestos	Oct. 3	Int. 18%
…rras	Sept. 8	Final 11%
…rke Chapman Thompson	Sept. 26	Int. 8%
…mbined English Stores	Oct. 12	Int. 12%
…s. Goldfields	Oct. 9	Final 22.6%
…rage	Oct. 14	Int. 14%
…wney Day	Oct. 12	Final 16%
…enhams	Sept. 22	Int. 4%
…ta Metal	Sept. 29	Int. 9%
…kinson Robinson	Sept. 27	Int. 10%
…ward and Elliott	Oct. 17	Final 4%
…ort	Oct. 15	Int. 5½%
…I	Oct. 8	Final 7½%
…la Star	Sept. 21	Int. 15% §
…ptre Stores	Oct. 10	Int. 2%
…t National Finance	Sept. 28	Int. 15%
…ns	Sept. 24	Int. 3¼%
…eco Minsep	Sept. 28	Int. 5.8%
…emans (Ldn. SW9)	Oct. 4	Int. 2%
…laher	Sept. 28	Int. 10%
…rard and National Disc.	Oct. 18	Int. 15%
…ker Siddeley	Oct. 20	Int. 7%
…nfray	Sept. 27	Final 17½%
…den (A.)	Sept. 21	Int. 15% §
…son's Bay	Aug. 26	Final 28 cents
Hutchison International	Sept. 5	Final 50 cents
Int. Timber	Oct. 19	Final 24% §
Jardine Matheson	Oct. 20	Int. 45c. §
Jessel Securities	Oct. 18	Final 24% §
Johnson and Firth Brown	Oct. 17	Final 12.6%
Judge Intntl.	Oct. 10	Final 15%
Laing (J.)	Sept. 28	Int. 4%
*Laurence Scott	Sept. 28	Int. 4%
Legal and General	Oct. 12	Int. 40%
London Merchant Secs.	Oct. 10	Final 6%
Mettoy	Oct. 21	Int. due
Miles Druce	Oct. 12	Int. 12%
Morgan Crucible	Oct. 8	Int. 13¼%
Ocean Transport	Oct. 11	Int. 15%
*Phoenix Assce.	Sept. 19	Int. 18%
*Prudential Assce.	Sept. 20	Int. 50%
*Ready Mixed Concrete	Sept. 24	Int. 12%
*Rio Tinto-Zinc	Sept. 19	Int. 8%
Rockware	Oct. 5	Int. 5%
Rowntree Mackintosh	Sept. 27	Int. 5%
*Schroders	Sept. 20	Int. 4.2%
Star (GB)	Sept. 28	Int. 9% §
Sterling Guarantee	Oct. 29	Int. 10%
*Stone-Platt	Sept. 20	Int. 6%
*Tarmac	Oct. 15	Int. 7%
*Tate and Lyle	Sept. 26	Sec. Int. 6%
*Thomson Organisation	Sept. 27	Int. 10%
UDS Group	Oct. 11	Int. 12%
*Utd. Biscuits	Sept. 20	Int. 8%
Utd. Builders Merchants	Oct. 5	Int. 10%
Union Corpn. Group	Sept. 28	Dividends
*Vickers	Sept. 20	Int. 1¼%
*Wadham Stringer	Sept. 28	Int. 3%
Wadkin	Sept. 20	Int. 4½%
Wheelock Marden	Sept. 9	Final 70 cents
Wilmot Breeden	Oct. 12	Int. 4½%
*Winn Indus.	Sept. 26	Int. 6½%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Local Authority investments

LOCAL AUTHORITY loan rates were reduced in both the temporary and mortgage sectors last week, although mortgage business for periods beyond a year again appeared highly restricted.

The official request to the banks to restrict their rates on smaller deposits (under £10,000) to a maximum of 9½ per cent. may have played some part in the decline, but had no clear, substantial effect.

The three-month (bank-issued) sterling certificate yield fell on balance to 13¼ per cent., from the previous 13⅞ per cent., while in the local loans market deposits at 7-days' notice ended at 11¾-12 per cent., against the previous 12¼-13 per cent., while three-month deposits fell to 13-13¼ per cent., from 13½-13¾ per cent., and one-year mortgages to 13¾-13½ per cent., from 14-14¼ per cent.

The Financial Times Government Securities Index rose 0.07 point on the week to 63.43—ranging from 63.49 on Monday to 63.21 on Thursday.

One-year local authority bonds were placed during the week at par, with a coupon of 14 per cent., to offer a yield ¼ per cent. higher than that on the previous week's batch.

* Rate (%) September 14, 1973

…ays' notice (deposit receipt)	11 —11¾
…ays' notice (deposit receipt)	11¾—12
…ays' notice after one month (deposit receipt)	11¾—12¼
…ays' notice after three months (deposit receipt)	13 —13¼
…ays' notice after six months (deposit receipt)	13 —13¼
…gage at one month's mutual notice, after 11 months	13¼—13¾
…gage at one month's lender notice after 11 months (nominal term 2-3 years)	11¾—13¼‡†
…ears' mortgage	13 —13¼†
…ears' mortgage	12¾—13⅛†
…ears' mortgage	12¾—12¾†
…ears' mortgage	12¾—12¾†
… years' mortgage	12 —12¾†
… years' mortgage	11¾—12¼†

*Rates are for sums not less than £20,000 and are subject to local conditions and fluctuations. †Nominal. ‡Shorter period may attract lower rates than longer.

Public Works Loan Board rates

(Effective from September 8, 1973)

Years	Quota loans Repaid By instalments	Quota loans Repaid At maturity	Non-quota loans Repaid By instalments	Non-quota loans Repaid At maturity
Up to 5	11¾	11¼	13	12¼
Over 5, up to 10	11¼	11¼	12¼	11¾
Over 10, up to 15	11¾	11¼	11¾	11¾
Over 15, up to 25	11½	11½	11¾	11¾
Over 25	11½	11½	11¾	11¾

RECENT ISSUES

EQUITIES

Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price p	+ or −	Div. & or Amount	Times Covered	Gross Yield	P/E Ratio
F.P.	—	£24⅛	£21⅜	BankAm'rica Crp$5.00	£23¾	.....	$1.16	—	1.7	—
F.P.	—	145	120	Beazer (CH) 10p	143	+4	[illegible]	2.1	5.3	10.5
F.P.	—	16¼	14½	Budge Bros. 10p	15½	.....	[illegible]	1.7	8.0	10.6
F.P.	—	69½	46	Chairmans (10p)	65	.....	[illegible]	1.7	9.3	6.4
F.P.	—	£167¾	£145	IBM (US$5)	£148	+1½	[illegible]	—	1.4	—
F.P.	—	65	59	Jones Group (10p)	59	.....	[illegible]	1.8	8.2	11
F.P.	5/10	47	35	Lookers	42	.....	[illegible]	2.1	6.8	10.1
F.P.	—	165	158	PrinceofWales(S'port)	158	.....	[illegible]	5.2	2.1	21.5
F.P.	30/8	173	153	Sainsbury (J.)	173	+2	[illegible]	1.7	4.5	26.1
F.P.	—	£125⅝	£111¼	TRW ($1.25)	£125¼	.....	$1.01	—	2.6	—
nil	—	30	20	Town&City war.insurd	30	.....	—	—	—	—
F.P.	10/9	18	17½	Vantage Secs. (10p)	17½	.....	[illegible]	1.0	3.1	31.7
F.P.	—	60	48	Wearwell (5p)	58	+1	[illegible]	1.7	6.0	15.8

FIXED INTEREST STOCKS

Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price	+ or −
F.P.	—	72p	67p	Boulton (Wm.) 8½% Cum. Red. Prf.	67p	.....
F.P.	—	97½	95	Carling Invs. 6¾% Gtd. Cnv. Uns. 1993	95	.....
£10	—	9	8½	East Anglian Water 7% Red. Prf. 1978	8½	.....
F.P.	24/9	90½	89½	[illegible] Trust 11% Ln. [illegible]	90	.....
£10	—	9	8½	Hartlepools Water 7% Red. Prf. 1978	8½	.....
F.P.	—	$101½	$100½	Lancs. C.C. 9¼% US$ Bds. 78-81	$100½	.....
F.P.	—	96½	95	Lloyds Bank 7½% Cnv. Uns. Sub. Ln. 1994	96½	+1
F.P.	—	91	90½	Midland Bank 10¼% Sub. Ord. Uns. 93/98	91	.....
F.P.	—	94	90½	Do. 7½% Cnv. Sub. Ord. Uns. 93/98	93½	+1
F.P.	—	85½	79	Notts. Man. 6¼% Conv. [illegible]	82	+2
£10	—	8½	7½	Rickmansworth & Uxbridge Water 7% Red. Prf. 78	7½	.....
F.P.	—	80¼	72	Rolls-Royce Motors 8% Cnv. Uns. Ln. 97/2002	73½	+½
F.P.	—	102	90	Steel Bros. 8% NonCum Cnv 4th Prf. [illegible]	94	.....
£25	—	30	25½	Tower Assets 10% Conv. Loan 1981	25½	.....
F.P.	—	90	87	Ward White 8% Cnv. Uns. [illegible]	87	.....

"RIGHTS" OFFERS

Amount Paid Up	Latest Renunc. Date		Stock	Closing Price p	+ or −
nil	—	—	Argo Invs.	65pm	.....
F.P.	7/9	12/10	Chambers & Fargus	31	.....
nil	21/9	19/10	Hemmill Brick	9pm	.....
nil	[illegible]	14/9	Oceana Cons.	50	.....
F.P.	24/8	14/9	Rosedale Inds.	55	.....
F.P.	11/9	12/10	Smith Holdings (Whitworth)	18	+½
F.P.	—	—	Smith 13.)	14d	.....
F.P.	28/8	—	Trust Bk. Africa	3pm	.....

Renunciation date usually last day for dealing free of stamp duty. a Placing … b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. p** Pence unless otherwise indicated. ¶ Figures based on prospectus or other official estimates for 1973. T Figures based on prospectus or other official estimates for 1973. r Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ¶ Offered to holders of ordinary shares as a "rights." ¶ Issued by way of rights. ‡ Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ¶ Issued in connection with reorganisation, merger or take-over. ♦ Introduction. ♦ Issued to former preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ✱ With warrants.

Lynton hopes to raise dividend

MR. J. LOTTENBERG, chairman of Lynton Holdings, says that although he does not anticipate any dealing transactions in 1973-1974, subject to any Government restrictions increased revenue from investment properties should enable a further dividend increase to be considered.

As reported August 9 group net profit expanded from £287,711 to £327,492 in the year ended March 31, 1973. Rents receivable improved from £1.23m. to £1.36m. The dividend is 11 per cent. against 10½ per cent. gross.

Mr. Lottenberg tells members that considerable progress has been made on the Continent. A further office building is under construction in Brussels which will cost some £2m.

In Holland, two office buildings are now fully revenue producing; a third is under construction and a large part let. Further investment has taken place and it is intended to expand activities in that country.

An amended executive share option scheme is to be submitted to the Inland Revenue for approval.

Meeting, 1-2 Mason's Arms Mews, Maddox St., W., October 8 at noon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims: Appleyard Group, Federated Land and Building, James Fisher, Nairn Williamson, Southern Construction, Temple Bar Investment Trust.

Finals: Amalgamated Investment and Property, F. and C. Eurotrust, Industrial Contract Cleaners, Lowe and Brydone (Printers), Wilkinson Warburton.

FUTURE DATES

Interims:

Baird (William)	Sept. 21
Brooks Watson	*Sept. 21
Gollett Dickenson Pearce Intl.	Sept. 19
Croydex Rubber Products	Sept. 25
Duport	Oct. 15
Dwek Group	Sept. 19
Frost and Reed	Sept. 21
Hepworth Ceramic	Sept. 20
Johnson (C. H.)	Sept. 19
Laurence Scott	Sept. 26
London and Holyrood Trust	Sept. 20
London and Provincial Trust	Sept. 20
Mackay (Hugh)	Sept. 20
Ready Mixed Concrete	Sept. 24
Stag Furniture	Oct. 10
Watts Blake Bearne	Sept. 21
Winn Industries	Sept. 26
Finals:	
Fitzwilton	Sept. 18
Monument Securities	Sept. 19
Peters Stores	Oct. 29

*Amended.

pressure cleaning equipment, water jet blasters, high pressure pumps etc.

Turnover was £819,141 (£284,719). Despite a large increase in domestic sales the greater portion of business comes from export, and this trend should continue to grow, says Mr. Hearn.

Over the past year major progress was made in all sectors and a "solid base" has been created to carry out future expansion.

While entry into the Common Market has had little impact on sales as yet, the European distribution network has been considerably strengthened, and the results should begin to show themselves "quite strongly" in the period ahead.

Meeting, Hadleigh, Suffolk, October 1 at 11 a.m.

FT Share Information Service

The following securities have been added to the Share Information Service appearing in the Financial Times:—

BUDGE BROTHERS (Section: Property).

MOTOR AND GENERAL UNDERWRITERS (Section: Insurance).

Australian & Intnl. Trust

Gross revenue of Australian and International Trust increased from £174,577 to £198,707 for the year to July 31, 1973.

The gross dividend is lifted from 1.75p to 2.21p—1.55p net—per 50p share. Net revenue was £116,508 against (£107,779) after tax of £54,503 (£48,865).

Net asset value per share is shown at 112p (94p).

Kina set for further progress

In line with the July forecast, pre-tax profit of Kina Holdings increased from £64,153 to £123,639 for the year to June 30, 1973. And the chairman, Mr. E. A. Hearn, says continued progress can be expected.

A final dividend of 12½ per cent. makes a total of 20 per cent. costing £32,312 (£14,553). Kina, a public but unquoted company, manufactures industrial high

Churchbury Estates policy

With Churchbury Estates' first major office development about to commence the directors are actively exploring the possibilities of extending their development programme in addition to the acquisition of further investment properties, states chairman Mr. C. E. Topping.

He points out, in reviewing current year prospects, that rental income will be affected by the Government's standstill provisions while the influence of the outcome of Phase Three is awaited.

The policy of selling advantageously some of the residential portfolio will continue in order to reinvest in selected commercial or industrial properties, he reports. However, this is proving difficult as there is now a shortage of first-class investments due to institutional buying at prices to show returns of less than 5 per cent.

As reported on September 14, pre-tax profit for the year to March 31, 1973, was £131,616 (£133,481) with a dividend of 17.84857 per cent. (17 per cent.).

As a result of the approach by Mr. R. Lyon and his Associates in February an independent revaluation of properties was carried out in March and produced a valuation figure of £7,022,678 which shows a net asset value at that date of 355p per share. These figures will be incorporated in the current year's accounts.

The formal bid by Profusion Investment Company (a company owned by Mr. R. Lyon) in June lapsed as there were insufficient acceptances. The 28¼ per cent. block of shares acquired by Mr. Lyon has been bought by nominees and clients of a merchant bank.

Meeting, Connaught Rooms, W.C., October 9 at 12.15 p.m.

BIDS AND DEALS

N.E. Timber expansion

North Eastern Timber has bought Janningbury Products an Essex-based private company which supplies builders' merchants and D.I.Y. retailers.

Consideration consists of 201,501 new Ordinary shares of 20p and, subject to a proviso, £30,000 in cash. Of the new shares 33,333 are being retained by the vendors and 168,168 have been placed with Brown Shipley, NET's advisers.

Janningbury's pre-tax profits for the year to February 28, 1974 are warranted at not less than £50,000. If less than this the purchase price will be reduced by a sum equal to four times the amount by which they fall short of that figure but shall not in any event be less than £150,000. If more than £50,000 the price will be increased by a sum equal to three and a half times the amount by which they exceed that figure, but in no event more than £230,000.

SHARE STAKES

Sahara Investments now holds 060,033 Capital shares, 354,420 Income shares and 21,708 Deferred Income shares in Derby Trust.

The Slater Walker Securities interest in James Finlay and Co. on August 21 amounted to 679,250 Ordinary shares (22.64 per cent.) following the purchase on August 21 of 69,500.

Jessel Securities interest in Lyon and Lyon now total 474,850 Ordinary shares (14.84 per cent.).

Four Millbank Investments now holds 728,500 shares in Stanley Gibbons International.

Ralli Securities Trust has bought a further 37,500 Ordinary shares in Photax (London) and its total holding is now 322,500 (16.125 per cent.).

A subsidiary of Dowgate and General Investments sold on August 15, 5,000 Ordinary in Anston Holdings and now holds 819,700 shares (25.96 per cent.).

The Eastern Produce (Holdings) interest in Blantyre Tea amounts to 119,126 Ordinary shares (24.9 per cent.). Jessel Securities, through its interest in Eastern Produce, is deemed to be interested in the above shares.

Howard and Wyndham has an interest in 1,619,113 Cire Holdings Ordinary shares (24.2 per cent.).

Anglo Continental Investment and Finance has disposed of 933,869 shares, reducing its holding to below 10 per cent.

Haw Par (London) has purchased 24,000 shares in London Tin Corporation making its total holding 6,360,900 (29.34 per cent.).

LONSDALE GROUP MERGER

Two companies within the Lonsdale Universal group—C. Combridge, library suppliers, and Jackson's Library Service—are to merge on October 1. The new company will be known as Combridge Jackson, with Mr. B. J. Burton and Mr. A. R. Jackson as joint managing directors.

GEO. WHITEHOUSE

Midland and Northern Securities announces that it no longer has a notifiable interest in the capital of George Whitehouse (Engineering).

Equity & Law improves annuity rates

Equity and Law Life Assurance Society has substantially improved its immediate annuity rates.

For the main types of annuity the improvement is a level addition to the current basic annuity of £6 per annum for each £1,000 purchase price.

The rates for guaranteed income bonds with terms between eight and 15 years inclusive have also been improved and for a purchase price of £5,000 the net income, payable half-yearly, is now £438.70 on a 10-year bond and £430.35 on a 15-year bond for a male, aged 65, who is liable to unified tax at the current basic rate only.

FINANCIAL TIMES STOCK INDICES

	Sept. 14	Sept. 13	Sept. 12	Sept. 11	Sept. 10	Sept. 7	A Year ago
Government Secs.	63.43	63.21	63.40	63.46	63.49	63.38	71.07
Fixed Interest	63.75	63.78	63.79	63.87	63.97	63.80	73.20
Industrial Ordinary*	420.7	415.3	413.0	408.7	411.1	414.9	502.5
Gold Mines	150.5	151.6	148.9	155.6	161.1	165.9	99.7
Ord Div Yield %	4.51	4.57	4.59	4.64	4.60	4.56	3.26
Earnings Yld% (full) (a)	10.12	10.25	10.30	10.54	10.27	10.17	*5.94
P/E Ratio (net) (a) (b)	13.46	13.30	13.23	13.19	13.29	13.41	†19.65
Dealings marked	6,241	5,824	59.65	5,902	6,876	5,685	10,294

*10 a.m. 418.5 11 a.m. 418.3 Noon 419.2 1 p.m. 418.9 2 p.m. 419.3 3 p.m. 419.6

Latest index 01-248 8026.

(a) Based on 30 per cent. corporation tax. (b) Nil=13.22. † On old basis.

HIGHS AND LOWS

	1973 High	1973 Low	Since Compilation High	Since Compilation Low
Govt Secs.	72.08 (22/1)	63.16 (6/9)	127.4 (9/1/35)	63.16 (6/9/73)
Fixed Int.	73.65 (25/1)	63.67 (6/9)	150.4 (28/11/47)	63.67 (6/9/73)
Ind. Ord.	508.3 (12/1)	404.8 (5/9)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	205.0 (8/5)	95.5 (4/1)	205.6 (8/5/73)	43.5 (26/10/71)

Basic 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

S.E. ACTIVITY

	Sept. 14	Sept. 13
Daily—		
Gilt Edged	141.6	109.2
Industrials	194.5	194.1
Speculative	137.3	128.4
Totals	135.5	132.6
5-day Avge.—		
Gilt Edged	135.9	152.7
Industrials	199.3	201.5
Speculative	118.6	117.6
Totals	137.8	137.7

FT—ACTUARIES INDICES

	Sept. 14	Sept. 13	Sept. 12	Sept. 11	Sept. 10	Sept. 7	A Year ago
Industrial Group	168.74	167.29	166.52	165.79	166.92	166.91	204.52
500 Share	177.09	175.76	174.87	174.46	175.65	175.80	213.43
Div. Yield p.c.	4.37	4.31	4.53	4.34	4.31	4.30	3.36
P/E Ratio (net)	14.47	14.58	14.51	14.50	14.44	14.48	17.69
All Share	175.88	174.51	173.79	173.31	174.47	174.25	212.29
Earnings Yield p.c.	11.59	11.75	11.88	11.87	11.87	11.73	9.66

† On old basis.

BANK BASE RATES

Allied Irish Banks Ltd.	11 %
Anglo-Eastern Bank	11½%
Anglo-Portuguese Bank	11 %
Banco de Bilbao	11 %
Bank of Cyprus	‡11½%
■ Wm. Brandt's	11 %
Brit. Bk. of Commerce	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet	11 %
Choulartons	11 %
C. E. Coates	11½%
Consolidated Credits	11 %
Co-operative Bank	*11 %
Corinthian Securities	11 %
Credit Lyonnais	11 %
G. R. Dawes	11 %
Dawnay Day	11½%
Duboff Brothers	11 %
Dunbar & Co. Ltd.	11½%
Duncan Lawrie	11 %
English Transcont.	11 %
First Maryland	12 %
FNFC	11½%
■ Antony Gibbs	11½%
Gresham Trust	11½%
Greyhound Guaranty	11 %
■ Guinness Mahon	11 %
■ Hambros Bank	11 %
Hawtin & Partners	11 %
■ Hill Samuel	§11 %
C. Hoare & Co.	†11 %
Julian S. Hodge	11½%
Italian International	11½%
Jacobs, Kroll	11½%
Keyser Ullmann	11 %
Kinghurst Securities	11½%
London & County Sec.	11½%
London Mercantile	11½%
■ Samuel Montagu	11 %
Moorgate Mercantile	11 %
■ Morgan Grenfell	11 %
Morris Wigram Ltd.	11½%
Northern Comm. Tst.	12 %
Portman Guaranty	12 %
■ Rea Brothers	11½%
■ N. M. Rothschild	11 %
St. Mary Axe Finance	11½%
E. S. Schwab	11 %
Security Tst. Co. Bhm.	11½%
Standard Guarantee	11½%
Sterling Credit	11½%
Sterling Industrial Sec.	11½%
Swiss-Israel Trade Bk.	11 %
Twentieth Century Bk.	11 %
Wallace Bros. Sassoon	11½%
Whiteaway Laidlaw	11 %
G. T. Whyte	11 %
Wintrust	12 %

■ Members of the Accepting Houses Committee.

* 7-day deposits 9½%. 1-month 9½%. £[illegible] and over, 9½% below.

† 7-day deposits—£10,000 and under 9½%, up to £25,000 9¾%; over £25,000 [illegible].

§ Demand deposits 10%, £10,000 and over 9½% under £10,000.

‡ Linked to M.L.R.

MINING

Currency moves benefit Hampton Areas

BY LODESTAR

IN A mining world mixed up by currency changes a number of ironies are bound to ensue. One concerns that former great share market high-flyer Hampton Gold Mining Areas.

This London-based company has derived its profits growth over the past four years from its entitlement to royalties from Australia's Western Mining based on the realised value of nickel from the northern part of that company's big Kambalda operation.

The irony arises from the fact that, whereas last December's upvaluation of the Australian dollar, the subsequent devaluation of the American dollar and the recent further upvaluation of the Australian currency have combined to cut into Western Mining's revenue from its nickel exports, the currency factor has actually been boosting Hampton's royalty income.

Royalties up

In fact, Hampton's new chairman Sir David Barran stresses the part that this factor has played in lifting the company's profits in the year to last March when in sterling terms royalties rose by 59 per cent. He also points out the "very fortunate position" whereby Western Mining is increasing its production and Hampton's royalties are "payable in a strong currency." The upward trend of this income is thus expected to continue.

At the same time Hampton under its new master Vavasseur, which is reckoned to have a fragmented shareholding somewhere between 20 and 30 per cent., is on the diversification track although it will mainly aim at the natural resources field and allied industries.

There are thus currently mixed blessings for shareholders some of whom must inevitably have passed through the fires of the great Australian boom. Hampton would almost certainly have made a greater increase in its dividend than it has done if U.K. restrictions had permitted. On the other hand, it is possible that the money retained may be put to good use. Despite Australia's troubles I think that if I were a shareholder in Hampton Areas I would be prepared to soldier on in present circumstances.

Inco expansion

The shares could even be a better bet than Western Mining itself in which the company is still a shareholder because it is becoming increasingly apparent that the big Australian nickel producer, despite all its ebullient expansion of the last few years, could actually be heading for a dividend setback in the year to next June. Its annual report should be coming along in the next few weeks. Hampton were 122p on Friday.

Meanwhile, as regards the general world demand for nickel, it it encouraging that the biggest producer of them all, International Nickel, now considers it worthwhile to re-open its Crean Hill mine in Canada operation of which was suspended in April of last year during the company's cutback programme.

Now expansion is Inco's policy once again to supply a "growing demand" for its primary nickel products. It is also noteworthy that leading Canadian brokers Wood Gundy think that, following Inco's much improved second quarter results, the shares should be reinstated in its "prime buy list" which also includes Noranda, Hudson Bay Mining, Placer Development, Gibraltar Mines and Brunswick Mining. Inco were $32⅞ in Toronto on Friday.

Kinross pays out

My summaries of various analysts' estimates of the September half-yearly dividends from South Africa's gold mines show that with virtually the sole exception of President Steyn even the most optimistic predictions were surpassed when the actual declarations came along last week.

Those of the Anglo American group have already been commented on in our mining columns. Friday's announcements from the Union Corporation group were chiefly remarkable for a thumping 30 cents from Kinross, well in advance of any predictions that I have seen. It makes 46 cents (28.4p) for the year against 30 cents for 1972.

St. Helena

It seems as though most crystal ball gazers, including myself, were being more cautious than the management has proved to be in allowing for the fact that Kinross will come into the tax net next year and that it has substantial capital expenditure commitments ahead. In fact, the company itself says that it is retaining around R1m. of 1973 profits to assist its capital financing.

Kinross shares, 260p on Friday before the dividend was known, could be worth a hold verdict on the short view. But the tax factor and the capital expenditure requirements may lead to a less generous distribution policy next year.

St. Helena also surpassed the estimate put forward here last Monday with a final of 83 cents making a 1973 total of 130 cents (80.4p) compared with last year's 90 cents. The shares at £10½ are still among the top-rank gold-mining investments.

Winkelhaak's 30 cents, making 46 cents (29.7p) against 26 cents, is much in line with expectations. The shares are 470p. They have long been a favourite of this column but there could now be selling opportunities ahead on any fresh burst of gold share market strength.

Gold Fields

The battle of the conservationists and anti-pollutionists against the endeavours of the mining industry to ensure the future supply of the ever diminishing but vitally needed world mineral resources is an increasingly hard fought one.

Minerals have always been an integral part of life and "it is impossible to extract, transport and process them without some degree of disturbance to the environment." It is thus good to see one of the big mining houses hitting back. It comes in the form of a 19-page brochure from Consolidated Gold Fields which has long been in the forefront of the much harder and more expensive battle to heal the scars of mining once the much needed minerals have been extracted.

The brochure punches its message home with a colourful series of before and after photographs in this country, South Africa and Australia. It should at least go some way towards quietening the sometimes hysterical outcries of the more unthinking of the conservationists. Gold Fields is to be congratulated on its own thoughtful enterprise in compiling it.

Finally, following Pancontinental's new uranium find in Australia's Northern Territory first drilling details of which were given here last Monday the shares, in which Gold Fields has a near 15 per cent. stake, had risen 11p to 44p by Friday. Further news of the discovery is thus eagerly awaited. Getty Oil is the other powerful participant in the venture.

INSURANCE

With-profits policies

BY OUR INSURANCE CORRESPONDENT

"PLANNED SAVINGS," issued fortnightly by Wootten Publications Limited, has recently produced its annual "With Profits Survey"—dealing with past performance and future projections on whole of life policies, 15 and 25 year endowments. There is much here for the citizen who likes to plan his own life cover (or to check the advice given him by his broker); but many brokers also will be grateful to Mr. Wootten's team for their continuing research and comments—and many life company men, from actuaries and investment managers down to salesmen, will find food for thought.

Top ten

There are now close on 100 life companies issuing with profits contracts—and it has been found possible to analyse the past performance of 63 of them under the three headings I have mentioned: past performance is certain, while future predictions are at the best calculated guesses: but around 80 of the companies' future predictions are set out in comparative tabular form, again under the three headings. From these comparative tables are also provided lists of the 1972 and 1973 "top ten" judged both on the basis of past performance and future predictions.

No—I am not going to steal "Planned Savings" thunder, and provide readers with a short list of its best buys: anyone who wants a back number can obtain it from the publishers at 150/152 Caledonian Road, London, N1. But a few comparative figures on past performance emphasise how important is the careful selection of a with profits policy. In each case payment of £100 a year premium is assumed, and at inception the purchaser's age next birthday has been taken to be 30.

On this basis, the best whole of life policy bought in 1933 would this year be paying out just under £18,000, the worst £8,000. The purchaser in 1948 of a 25-year endowment would this year receive at best £6,600 and at worst £4,000—the respective yields on gross premiums are 7 per cent. and 3½ per cent. The gap between best and worst further narrows when the 15-year endowment bought in 1958 is examined: here the best payout is over £2,800, the worst under £2,000, and the respective yields on gross premiums are 7½ per cent. and 3½ per cent. These yields are important when one remembers that over the past 25 years inflation has averaged 4.25 per cent. annually.

Guide to the future

Why this concern with past performance, when "the past is behind us and has only the most indirect connection with the future?" Part of the answer given without the facts and figures in support—is this: "The plain fact is that the companies which were producing the best results 10 or 20 years ago are still at the top of the tables." The inference everyone (and not just "Planned Savings") draws is that by and large they will continue so to be, though almost certainly some new names will appear and some old ones drop back—but not so far back as to become thoroughly bad performers within the next 20 years.

Nevertheless a comparison of 1973's top ten on past performance with 1973's top ten on future projections show that a number of the former are by no means as avowedly optimistic as those companies now quoting the highest bonuses for the future. This may be because "some companies pursue a resolutely conservative line and consistently project less for the future than they are paying out now on similar policies. Other companies estimate that they will be able to pay out more in the future than they have done in the past."

Cautious

Thus in the whole of life sector only two of the top ten on past performance appear in the top ten future projections, in the 25-year endowment sector only three, and in the 15-year endowment sector only four.

But 15 years is a long time in fast changing financial conditions, while 25 years is even longer. Looking back over the last 15 years the average insurance company has quadrupled its premium income and increased its intake of new business even more: investment conditions have altered—in 1958 the return on Consols was under 5 per cent.: only the incidence of mortality has remained constant. So even the best calculated furore predictions may prove considerably wide of the mark by 1988.

Rates remain firm in tanker charter market

BY JAMES McDONALD, SHIPPING CORRESPONDENT

DESPITE a fairly quiet week in the tanker charter market rates in almost every sector remained very firm and in some important trades rose again. A broad spread of demand also has developed for timecharter tonnage as a hedge against rising single voyage rates.

In the single voyage dirty tonnage sector there was less activity last week because of the limited amount of tonnage available rather than shortage of inquiry. Tankers of up to 130,000 tons obtained Worldscale 350 from the Persian Gulf to U.K. or Continent—about 5 points higher over the week—and smaller tonnage ships were fixed at much higher rates. Owners are encouraged to demand even higher rates by the amount of demand appearing for October loadings.

The Mediterranean sector also registered higher rates with Worldscale 340—a rise of 5 points—being paid for 25,000-tonners to the U.K. or Continent, while the rate from Nigeria to the west for 50,000-tonners showed a jump of about 35 points over the week to Worldscale 350.

There was a decline in rates from the Caribbeans to USAC in the first part of last week but rates later recovered partially to close at about Woldscale 265—20 points down on the week.

Demand for period-charter tonnage increased last week with particular emphasis by American charterers on the 50,000-60,000-tons range with early commencement. Sohio, Shell Houston and Ashland are all open for tonnage in this category. An interesting fixture was by Frota, taking a 380,000-tonner for delivery as far ahead as 1978 for five years timecharter at the rate of $2.80-85 per ton per month.

The volume of "combined" carriers—oil, ore, or bulk—operating in the oil trade reflects the high level of demand for tanker tonnage. John I. Jacobs and Company, in its weekly report, says that, at the end of August 272 of these carriers, aggregating 26.1m. deadweight tons, were operating in the oil trades out of a total of 332 ships, totalling 33.7m. tons—83.3 per cent. of the total. This compares with 250 of the "combination" ships (25.8m. tons) at the end of July, representing 79.5 per cent. of the total.

London tea sales

At the tea sales held in London last week 32,421 packages sold realised an average price of 40.09p per kilo, against 39.28p at the previous sales and 38.31p a year ago. Plain tea was quoted at 33p.

	No. of kilos	Average per kilo
African Highland Prod.	14,450	41p
Blantyre	32,369	31p
Bogawantalawa	7,973	46½p
British African	29,619	40p
Central Africa	19,445	35p
Central Provinces	68,217	40½p
Ceylon Prop. Tea	13,733	33½p
Ceylon Tea Plants	23,762	44½p
Carendon	12,565	46½p
Dimbula Valley	9,720	42p
Duckwari	7,374	39½p
Kenya	[illegible]	44p
Kirellan	11,063	39p
Lanka	5,653	43p
Luiert	1,993	38p
Luuva	8,782	41p
Moran	29,113	52p
Namingomba	12,496	34½p
Naraberde	4,744	41p
New Dimbula	13,275	50p
Ouvah	25,665	43p
Ruo Estates	38,502	34p
Scot. Tea and Lands	69,606	42p
Spring Valley	14,525	44p
Standard	3,155	45p
Tanganyika	57,570	[illegible]
Telbedde	12,174	45½p
Timderet	9,073	44p
Tukuyu	29,212	43p
United Planters	43,905	39p

Stock at September 7 amounted to 56,422 metric tons, compared with 45,402 metric tons a year ago. Converted at 43,534 kilos per package.

WEEKLY AVERAGES OF U.K. INDICES

Week to—	Sept. 14	Sept. 7	Aug. 31	Aug. 24
Financial Times				
Govt. Secs.	63.42	63.52	64.32	64.24
Fixed Interest	63.83	63.91	64.23	65.41
Industrl. Ord.	413.8	409.3	415.8	418.2
Gold Mines	153.7	164.2	162.2	151.2
Dealings marked	6,151	6,072	6,256	6,065
F.T.-Actuaries				
Ind. Group	167.21	165.75	167.93	168.27
500-Share	[illegible]	[illegible]	176.78	177.46
All-Share	[illegible]	[illegible]	175.59	176.63
20-year Govt.	[illegible]	[illegible]	62.38	62.29
Red. Debs.	[illegible]	[illegible]	62.56	62.73

INTERNATIONAL COMPANY NEWS + EURO MARKETS

EUROBONDS

The dollar bond returns

BY MARY CAMPBELL

WITH THE secondary market virtually dead last week in whatever currency, interest is focused on the primary market. There are five issues currently in the market: the $50m. convertible for Walt Disney; the $50m. with warrants for Hongkong Land; the $30m. straight issue for Airlease International; National Westminster Bank's DM100m. issue and, of course, the Eurco30m. for the European Investment Bank.

Estimates in the market are that the 8½ per cent. coupon being offered by Airlease should ensure that it will "go." The guarantors—the big four British clearing banks—give it first class status while conditions have improved since Standard Oil (Indiana)'s 8½ per cent. issue in late July.

Of the two other dollar denominated issues, Walt Disney's is thought to be going rather better than Hongkong Land. Walt Disney has a big advantage in being a household name.

First reactions to the Eurco issue are reported to have been favourable, and this issue is now expected to be fully subscribed well before the closing date. Rothschild's—the lead manager for the issue—also reports that it is handling three major trading transactions denominated in this new "currency" and has given an estimate that there will be Eurco 200m. on issue by the end of one year and 2,000m. by the end of five years.

Some houses however foresee problems for the secondary market in dealing in issues denominated in the Eurco. Though the Luxembourg stock exchange is to publish quotations for the Eurco against ten currencies daily, these will be mere indications—and always a day out of date. Dealers will be left with the problem of doing running computations every time there is a major shift in the value of any of the nine currencies included in the Eurco basket.

On the D-Mark international bond market, National Westminster's issue is reported to be going quite well. The coupon of 8 per cent. is higher than any recent D-Mark issue, and it is now expected to be priced at least at par.

The main feature of the week however was the return of the dollar-denominated bond. To have three dollar issues running simultaneously is a record for any time since February. Considering the continuing high level of interest rates, the convertibles sector still looks the most promising—given some progress on Wall Street.

Cedel handled total transactions amounting to a nominal $107.1m. last week compared with $97.2m. the week before. Euroclear handled $139.8m. ($143.4m.).

French plant for Union Carbide

UNION CARBIDE has said it plans to build a $30m. graphite electrode plant in Calais.

The plant, scheduled for completion in early 1976, will be operated by its subsidiary, Union Carbide France.

The installation, which will produce primarily the large electrodes required for modern high-power electric arc furnaces, will serve the steel industry in Northern Europe, the company said.

Canadian group acquisition discussions

Thomassen en Drijver-Verblifa NV has said talks are being held with Polysar of Canada which may result in a complete take-over by Polysar of Tedeco NV of Deventer and Brussels, Tedeco Verpackung GMBH, Kamp Lintfort and Tedeco Sarl of Paris.

Tedeco is a 50-50 joint venture of Illinois Tool Work and Thomassen en Drijver-Verblifa, the Dutch subsidiary of Europemballage Corp. the Brussels-based holding company for Continental Can Co.

Japanese buy U.S. stocks

THE JAPAN Securities Dealers Association has said Japanese investors have been increasing their investments in foreign (mostly U.S.) stocks, in view of the relative stability of the Yen-Dollar exchange rate.

Their purchases of foreign stocks in July totalled a record Y12,244m. compared with a previous record of Y8,251m. in May, 1972, while their sales of foreign stocks were a record Y6,027m., compared with a previous record of Y5,147m. in November 1972.

The figures included a large percentage of foreign stocks bought or sold through Japanese securities firms.

St. Roch lifts turnover

GLACERIES DE ST. ROCH SA has said group turnover rose in the first eight months of this year. Turnover of the Belgian division rose 33 per cent. to BFrs1,225m., while turnover in the German and Dutch divisions rose 10 per cent. and 19 per cent. respectively to BFrs1,551m. and BFrs.279.7m.

Koor Profits

NET PROFITS of Koor, th[e in]dustrial holding company [of] Israel Labour Federation [in]creased from £3m. in 19[71 to] £3.7m. last year. The ba[lance] sheet total rose from £158[m. to] £188m., sales from £113[m. to] £150m., and investments [from] £11.5m. in 1971 to £16m. in [1972.] Reuter

● Rockwell International re[cently] announced the formation [of a] joint venture company in [Japan] with NHK Spring Compa[ny of] Yokahama, to market Rock[well's] United States- and Britis[h-pro]duced remote controls in th[e Far] East. The new company w[ill be] known as NHK-Teleflex [and] will have its headquarte[rs in] the Tokyo area.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus *	Util. ф	Trading volume† 000's
Sept.					
14	71.37	162.57	886.36	95.45	13,760
13	71.99	160.52	880.57	96.70	11,670
12	72.06	160.06	881.32	96.96	12,0 0
11	72.15	160.50	885.76	99.15	12,890
10	72.00	162.18	891.55	100.06	11,690
7	72.07	162.82	898.63	100.54	14,930
6	71.91	162.49	901.04	99.66	15,670
5	71.74	162.33	899.06	97.04	14,500
4	71.73	161.35	849.39	98.11	14,210
Aug.					
31	71.71	159.35	887.57	98.03	10,530
30	71.63	156.96	882.55	95.53	12,100
29	71.61	157.50	883.45	96.22	15,690
28	71.64	156.26	872.07	96.28	11,610
27	71.60	155.64	870.71	94.84	9,740
24	71.49	154.44	865.43	96.16	11,300
1973					
High	75.64 (16/1)	228.10 (2/1)	1051.70 (11/1)	120.72 (2/1)	—
Low	71.53 (15/8)	151.97 (22/8)	851.90 (22/8)	94.55 (16/8)	—

‡ All-time high 279.38 (7.2.69). ф All-time high 163.32 (20.4.65). † Excluding bonds.

IND. DIVIDEND YIELD p.c.

Sept. 7	Aug. 31	Sept. 7 1972
3.79	3.79	3.25

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1973 High	1973 Low	Fri.	Thurs.	Wed.	Tues.	Mon.
65.48 (11/1)	55.56 (6/7)	55.82	56.37	55.18	55.50	55.81

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,731	832	532	367

	Fri.	Thurs.	Wed.	Tues.	Mon.
New Highs	20	12	7	4	15
New Lows	32	25	26	28	28

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1973 High	1973 Low	Fri.	Thurs.	Wed.	Tues.	Mon.
101.58 (7/9)	98.77 (14/3)	99.77	100.21	100.94	100.40	101.32
Volume (000's)		2,660	1,869	1,927	1,878	1,821

STANDARD AND POORS U.S. STOCK INDICES

	*Ind. Ord.	†Composite
Sept. 14	117.26	104.44
13	117.96	105.75
12	115.38	103.03
11	115.74	103.22
10	116.73	103.55
7	117.46	104.76
6	117.95	105.15
1973 High	134.03 (5/1)	120.17 (5/1)
1973 Low	112.97 (22/8)	100.53 (22/8)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails

STOCK AND BOND YIELDS

	Sept. 12	Sept. 5	Sept. 13 1972
Ind. Ord. yield pc	2.93	2.87	2.60
Ind. Ord. p.e ratio	14.63	15.08	15.91
Long-term Govt. Bds. pc	6.23	6.17	5.30

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Eastern Air Line	211,900	7¾	+⅛
Gulf Oil	193,200	22¼	+⅛
Inter. Tel. Tel.	183,000	32	+1¼
Fed. Nat. Mort.	176,600	20	+⅛
Std. Oil California	129,100	61½	+⅛
Fairchild Camera	125,200	67¼	+2⅞
Williams Co.	110,200	35	+3⅛
Rorer-Amchem.	110,200	28¾	−⅜
Sanders Assoc.	109,600	9¼	+⅛
Norton Simon	101,300	26¼	−⅛

TORONTO

INDUSTRIAL INDEX

Sept. 14	Sept. 13	1973 High	1973 Low
213.38	214.73	225.30 (12/1)	202.43 (22/8)

MONTREAL

INDUSTRIAL INDEX

Sept. 14	Sept. 13	1973 High	1973 Low
242.44	247.82	253.73 (12/1)	206.83 (22/8)

COMBINED INDEX

Sept. 14	Sept. 13	1973 High	1973 Low
224.47	228.45	240.25 (12/1)	208.83 (22/8)

JOHANNESBURG

	Sept. 14	Sept. 13	High	Low
Industrials	262.5	266.3	292.1 (10/7)	235.4 (12/9)
Gold	192.9	191.2	237.7 (8/1)	123.4 (10/4)

(1970=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Sept. 13	Sept. 6	Aug. 30
On Dividends	5.22	4.90	4.95
On Earnings	8.87	8.16	7.83

SYDNEY ALL ORD. INDEX

Sept. 14	Sept. 13	High 1973	Low 1973
483.18	484.50	637.20 (19/1)	469.46

HONG KONG INDEX*

Sept. 14	Sept. 13	High 1973	Low 1973
530.00	506.95	1,774.96 (9/3)	494.50 (11/1)

SINGAPORE INDEX §

Sept. 14	Sept. 13	High 1973	Low 1973
321.01	326.35	611.36	289.71 (4/9)

TOKYO NEW SE INDEX†

Base=100 January 4, 1968.

Sept. 14	Sept. 13	Div. %	Yield %
355.13	355.62	11.90	2.06

	High	Low
1973	422.43 (24/1)	340.11 (25/4)

EUROPE

	Sept. 14	Previous	1973 High	1973 Low
Belgium (*)	130.54	130.08	142.45 (22/8)	125.11 (2/1)
Denmark (‡)	123.38	125.93	138.95 (10/8)	120.28 (6/7)
France (bb)	85.9	84.9	96.8 (4/6)	79.3 (3/1)
Germany (c)	92.62	93.36	120.71 (16/3)	89.90 (27/7)
Holland (o)	145.6	146.1	171.9 (14/4)	144.1 (25/6)
Italy (†)	116.08	116.36	147.26 (19/8)	98.35 (16/2)
Sweden (p)	356.65	360.48	392.64 (10/7)	303.13 (6/9)
Switzer'l'd (**)	363.8	368.5	440.1 (2/1)	356.6 (4/9)

* Hersatt Index Base Dec. 31, 1959. ‡ Base 100 Jan. 3, 1973. ** Swiss Bank Corporation Index base 100 Dec., 1958. (†) Closed. (bb) Base 1961. (o) Base 100 1963. (p) Base Dec. 29, 1956. (bb) Paris Bourse Committee, base 100 1961. (c) Base 100 January 1, 1973. * Base 100 Jan. 4, 1968. ф Hang Seng Bank, base 100 July 31, 1964. § Straits Times Industrial, base 100 1966.

AUSTRALIAN WEEKLY LIST

Australian $	Sept. 14	Sept. 7	Australian $	Sept. 14	Sept. 7
Advertiser Newsp'p'r	2.23	‡2.46	Kiwi Int.	0.97	1.05
Ansett Transport	0.72	0.70	M.L.C.	‡4.30	4.30
Assd. Securities	1.49	1.77	Mauri Bros. & T.	1.24	1.36
Aust. Guarantee	1.81	2.02	Mayne Nickless	1.26	1.31
Aust. & Kandos Cem't.	1.55	1.65	Nylex Corporation	1.17	‡1.27
Aust. Paper M'uf'r'g.	1.75	1.99	Olympic Cons.	0.89	0.82
Boral	2.17	2.37	Overseas Corporation	1.65	1.82
Brambles Inds.	1.08	1.21	Petersville	0.31	0.33
Burns Philip	4.02	4.06	Queensland Cement	2.74	2.75
Carpenter (W.R.)	2.28	2.47	Queensland Ins.	†3.97	3.93
Castlemaine Perkins	5.95	6.35	Rocla Industries	1.82	1.82
Coal & Allied	1.09	1.13	Swan Brewery	2.00	‡2.18
Commercial Bank	3.04	3.11	TV Corporation	Nil	‡2.75
Commercial Union	1.17	‡1.36	Thiess	‡1.48	1.47
Commonw'lth Mining	2.50	2.65	Thomas Nat. Trans.	1.82	2.12
Grace Bros.	2.07	2.26	Tooheys	2.22	2.24
Hardie Asbestos	5.80	6.44	Travelodge	†0.65	†0.70
Herald & Weekly	3.55	3.62	Woodside Burmah	1.44	1.59
Humes	1.22	1.21			

†Buyer. ‡Seller.

TEL AVIV STOCK EXCHANGE

JOHANNESBURG

AUSTRALIA

Sept. 14	Aus $
Tom Piper (50 cents)	†2.35
Reckitt & Colman	†2.65
Repco	1.76
St. James Properties	0.69
Slater Walker	0.91
H. C. Sleigh	0.58
Southland Mining	†0.40
Stocks & Holdings	4.25
Tooth ($1)	3.05
Unichrome	†0.52
Waltons	1.08
Western Mining (50 cents)	†4.55
Woolworths	1.07

CANADIAN WEEKLY LIST

HONG KONG

SINGAPORE PRICES

GERMANY ♦

PARIS

MILAN

Sept. 14	Price Lire	+ or −
Alitalia Priv.	7,800	−10
ANIC	1,058	−5
Bastogi	1,213	−16
Breda	4,310	−10
Burgo	11,100	−40
Cantoni	15,150	......
CIGA	7,601	−99
Cucurial	7,960	+10

TOKYO ¶

Source Nikko Securities, Tokyo

AMSTERDAM

SWITZERLAND

COPENHAGEN

BRUSSELS

STOCKHOLM

SPAIN ▼

OSLO

VIENNA

OVERSEAS SHARE INFORMATION

Investment $ premium based on $2.60 per £1—29½% (30¼%). Conversion factor 0.8313 (0.8253).

NEW YORK

1973 High	1973 Low	Stock	Sept. 14
25⅞	16⅝	Acme Markets	21½
61⅝	51⅜	Control Data	57⅛
24	12¼	Copper Range	17¼
313.5	90¼	Corning Glass	113½
33¾	25⅝	CPC International	38¼
37⅞	24⅜	Joy Manufactu'g	37
23½	15⅛	Kaiser Alumin'm	22⅞
7⅞	4	Kaiser Industries	6½
14⅜	8	Kaiser Steel	12⅞
34	21½	Raytheon	23⅝
58¾	22¼	RCA	24½
2⅝	1½	Reading	1½
27⅝	21⅞	Republic Steel	22¼

CANADA

AUTHORISED UNIT TRUSTS (p***)

OFFSHORE AND OVERSEAS FUNDS (p***)

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C.2. 041-221 5521
*HopeStreetFund US$21.48 ...... —
‡Murray Fund.... US$8.57 ...... —
* NAV Aug. 31. ‡ NAV Aug. 31.

Negit S.A.
10a, Boulevard Royal, Luxembourg.
NAV Sept. 7 1973 US$10.40 ...... —

b To-day's prices. c Yield based on offer prices. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. z Offered price includes all expenses except agent's commission. u Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains. § Guernsey yield. ‡ Suspended. —Not available, exchange restrictions. ● Prices not including $ Premium.

UNIT TRUST PRICES

SHARE INFORMATION SERVICE: NOTES

Merger bid or reorganisation in progress.
Special deposit certificates.
Same interim; reduced final and/or reduced earnings indicated.
Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
Cover does not allow for shares which may also rank for dividend at a future date. No p/e ratio usually provided.

k After local taxes. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividends and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, p/e ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yields allow for currency

Gains Tax. x Figures based on prospectus or other official estimates for 1973. ¥ Figures based on prospectus or other official estimates for 1973-74. z Equivalent rate before additional capital was paid up. P Yields based on 1967 payments. I Figures assumed. U No significant Corporation Tax payable. z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all.

INSURANCE, PROPERTY, BONDS

Builders condemn NCB council housing move

DELEGATES AT the annual conference of the North West Region of the National Federation of Master Builders at Llandudno have unanimously condemned National Coal Board participation in council house modernisation schemes.

A resolution said such activity was "not appropriate to the purpose for which the Board was formed." Its building activities should be confined to its own properties.

Proposing the motion, Mr. John Randle, Widnes, said work was to start on a £1.4m. contract secured by the Board to modernise 660 Manchester Corporation homes in the Northenden district. "This is the thin end of the wedge," he protested.

Money & Exchanges

Bank of England Minimum Lending Rate 11½%
(since July 27, 1973)

Short-term interest rates in the London money market last week showed a weaker tendency. The official request made to the banks on Monday not to pay more than ... per cent. on deposits of less than £10,000 had no marked apparent effect on market rates, but may have encouraged the easier tone in some extent. The three-month sterling certificate of deposit rates, which rose to 13¾-13⅞ per cent on Monday, from the previous 13⅝-13¾ per cent., fell away over the rest of the week, to end at 13½-13⅝ per cent. The Treasury bill rate fell slightly at Friday's tender, by 0.0355 per cent. to 10.9507 per cent.

The authorities bought a moderate amount of bills on Monday, on Thursday and on Friday, and sold a moderate amount on Wednesday.

Sterling was slightly stronger on balance against major currencies in general, last week, with its trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, ending at 19.04 per cent., against the previous 19.07 per cent., though it reached 19.21 per cent. on Monday and on Wednesday (a day when the market was affected by rumours that the U.K. overseas trade figures for August would show a larger deficit than had been generally expected). On Thursday, allowing for news of the £196m. trade deficit realised, however, the weighted depreciation narrowed to 18.81 per cent. In terms of the U.S. dollar, the pound fell on balance to $2.4105-2.4115, from the previous $2.4190-2.4210 — the dollar generally strengthening against major currencies. There was a good demand for day-to-day Euro-sterling.

The Dutch guilder, official upvaluation of which by 5 per cent. was announced on Saturday, ended last week in Amsterdam at the following levels against various major units (previous Friday's rates in brackets): 1.0913 guilders to DM1 (1.0925); 2.65945 to $US1 (2.65695); 0.62005 to commercial French Fr.1 (0.62105); 0.07143 to Belgian convertible Fr.1 (0.07132); 0.8787 to Swiss Fr.1 (0.8816); and 6.4140 to £1 (6.4330).

Gold fell $5 an ounce on balance in London to $100-101, and touched $99-100 on Thursday.

Bank base rates, Page 25

EURO-CURRENCY INTEREST RATES ◇

Short-term rates are call for sterling, U.S. dollars and Canadian dollars are two days' notice for guilders, marks and Swiss francs.

FOREIGN EXCHANGES

Sept. 14 1973	Bank Rate %	Day's spread	Close
New York	7½	2.4090-.4135	2.4105-.4115
Montreal	6¾	2.4250-.4350	2.4320-.4340
Amst'dam	8	6.42-.45	6.41-.42
Brussels	6½	n.a.	92.75-93.20
Copen'gen	9	15.50-.65	15.62-.63
Frankf't.	7	6.25-.32	6.27-.28
Lisbon	5½	56.85-57.60	56.90-57.20
Madrid	6	138.25-139.75	139.62-139.87
Milan	6	1,563-1,568	1,564-1,565
Oslo	4½	13.42-.48	13.42-.44
Paris	9½	10.55-.58	10.57-.58
Stockh'lm	5	10.16-.24	10.17-.19
Tokyo	7	635-645	635-640
Vienna	5½	45.30-.55	45.45-.55
Zurich	4½	7.25-.33	7.32-.33

†† Basic discounts. Δ Bank of Portugal discount rate. ‡ Rates given are for convertible francs; closing financial franc 93.95-94.15. ‡ Rates given are for commercial francs; closing financial franc 10.44-10.51. ♦ Rate given is commercial; closing financial rate 1,565-1,570. na Not available.

OTHER MARKET RATES

FORWARD RATES

CORAL INDEX
Close 419-424

A copy of this Offer for Sale, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration.
This document contains particulars given in compliance with the regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to James Austin Steel Holdings Limited. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.
Application has been made to the Council of The Stock Exchange for the whole of the issued share capital of James Austin Steel Holdings Limited to be admitted to the Official List.
The Application Lists for the ordinary shares now offered for sale will open at 10 a.m. on Thursday, 20th September, 1973 and will close on the same day.

James Austin Steel Holdings Limited

Incorporated under the Companies Acts 1948 to 1967. Registered in England No. [illegible]

Steel stockholders and structural engineers

Directors
ARTHUR YELVERTON WILSON,
Orchard House, Chevet Lane, Sandal, Wakefield, Yorkshire.
(Chairman and Managing Director)
EDWARD GEOFFREY TENNANT FIRTH,
Hob Garth, 4A, Crowlees Road, Mirfield, Yorkshire.
LAWRENCE VICTOR HAMPSHIRE, B.Com., F.C.A., F.C.I.S.
Highcroft, Valley Road, Thornhill, Dewsbury, Yorkshire.
(Financial Director and Secretary)

Registered Office
Thornhill Steel Works, Dewsbury, Yorkshire, WF12 9EH.

Brokers
ROWE, SWANN & CO.,
Augustine House, Austin Friars, London EC2N 2HD.
and The Stock Exchange.

Bankers
NATIONAL WESTMINSTER BANK LIMITED
2, Northgate, Dewsbury, Yorkshire, WF13 1EA.

SHARE CAPITAL

Authorised		*Issued and to be issued fully paid*
£1,000,000	**in 4,000,000 ordinary shares of 25p each**	**£750,000**

On 24th August, 1973 except for inter-company transactions neither James Austin Steel Holdings Limited nor any of its subsequently acquired subsidiaries had outstanding any loan capital, mortgages or charges, borrowings or indebtedness in the nature of borrowing, including bank overdrafts, liabilities under acceptances or acceptance credits or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities.

Rowe, Swann & Co. offer for sale 1,075,000 ordinary shares of 25p each at 67p per share

Payable in full on application The ordinary shares now offered for sale rank in full for all dividends hereafter declared or paid on the ordinary share capital of James Austin Steel Holdings Limited.

Receiving Bankers
NATIONAL WESTMINSTER BANK LIMITED
New Issues Department, P.O. Box No. 79,
Drapers Gardens, 12, Throgmorton Avenue, London EC2P 2BD.

Solicitors to the Company
WATTS & SON,
Church Street, Dewsbury, Yorkshire, WF13 1JX.

Solicitors to the Offer
ASHURST, MORRIS, CRISP & CO.,
17, Throgmorton Avenue, London EC2N 2DD.

Auditors
ROBSON, RHODES & CO. (Chartered Accountants),
Aquis House, 12, Greek Street, Leeds LS1 1HR.

Reporting Accountants
PRICE WATERHOUSE & CO. (Chartered Accountants),
Norwich Union House, 73/79, King Street, Manchester M2 4WS

Registrars and Transfer Office
ROBSON, RHODES & CO.,
24/28, Moorgate, London EC2R 6EA

PARTICULARS OF THE COMPANY AND ITS SUBSIDIARIES

History and Business
James Austin Steel Holdings Limited ("the Company") was incorporated in England on 30th March, 1973 as a private company and was converted into a public company on 13th September, 1973 when it acquired the whole of the issued share capital of James Austin & Sons (Dewsbury) Limited ("Austin"). Austin was incorporated in 1923 to carry on the business of iron and steel stockholding which had evolved from a firm of millwrights founded in the middle of the 19th century. Austin moved to its present site in Dewsbury in 1927 and in 1935 began to fabricate structural steelwork. In 1948 Austin acquired the whole of the issued share capital of A. J. Riley & Son Limited ("Riley"), an old-established firm of specialist engineers based in Batley, manufacturing tanks and pressure vessels for the process plant industry. The Company, Austin and Riley are together referred to as "the Group".

Austin
The business of Austin comprises two divisions, steel stockholding and structural engineering, operating from adjacent premises in Dewsbury. The main supplier of steel is British Steel Corporation and Austin is geographically well situated in relation to the rolling mills which provide its main supplies. Purchases are also made from other suppliers in the United Kingdom and abroad. Each division is responsible for its own purchases but on occasions supplies and processing services are obtained on an inter-divisional basis.

The steel stockholding division operates from a modern purpose built warehouse and specialises in the heavier types of black steel, chiefly heavy and medium plates and engineering, structural and shipbuilding sections. Its principal customers are the structural and general engineering, shipbuilding and ship repairing industries and smaller stockholders. Austin, which has facilities inter alia for guillotining, profiling and burning, sawing and drilling, is one of the leading specialist suppliers to the shipbuilding and engineering industries of steel conforming to the requirements of Lloyds and other inspecting authorities in the United Kingdom and overseas. Home and overseas sales are effected by the sales organisation at Dewsbury with the support of a small team of representatives. Austin's own fleet of vehicles delivers direct to customers and is supplemented when necessary by hired transport. In the year ended 31st March, 1973 there were over 1,100 customers of the stockholding division, none of whom accounted for more than 5 per cent. of the division's turnover.

The structural engineering division undertakes the detailed design and fabrication of structural steel for delivery at home and abroad and, in the United Kingdom, provides erection on site if required. There is a specialist production line for the fabrication of castellated beams for use by this division and for sale to the trade. Contracts are usually completed within twelve months and have included structural steelwork for most types of commercial, industrial, and civil engineering purposes. Austin was one of the sub-contractors supplying steelwork for the British Steel Corporation's Anchor project at Scunthorpe. Contracts for this division are generally obtained through architects, consulting engineers and main contractors, with whom Austin has enjoyed good relations and continuing business for many years. A separate sales office is maintained in London which is principally concerned with the business of the structural department. In the year ended 31st March, 1973 this division supplied over 180 customers, none of whom accounted for more than 12 per cent. of its turnover.

Riley
Riley's offices and works are situated in Batley, some five miles from Austin's works in Dewsbury. It designs and constructs plant such as pressure vessels, storage tanks, heat exchangers and fractionating and other columns for a wide range of customers in the chemical, petroleum, gas, water, brewing, plastics and textile industries. Although it is not dependent upon any one customer, a single contract may account for a substantial proportion of the turnover in any given financial year. The principal materials used are mild, stainless, nickel and clad steels, aluminium and other alloys, which are obtained from various sources in the United Kingdom and abroad.

Premises
Austin owns a freehold site of approximately 23 acres some two miles from the centre of Dewsbury. The works, yards and associated areas used by the stockholding and structural engineering divisions occupy approximately 18 acres. The site also houses the Group's head office and Austin's sales and administrative offices, providing 15,000 square feet of accommodation.

The steel stockholding warehouse, designed specifically for the division, was built in 1966. It has since been extended by some 20,000 square feet to a covered area of approximately 100,000 square feet, the latest addition of approximately 12,000 square feet having been completed in January 1973. The premises occupied by the structural engineering division were built when Austin originally moved to the site in 1927 and a number of extensions have since been added. The buildings, which have been kept in good repair, now have a covered area of approximately 124,000 square feet and there is also an open steel stock yard of approximately 22,000 square feet.

Riley's office and main works consist of two freehold premises totalling some 46,000 square feet in Batley. Riley owns additional freehold premises at Savile Works in Batley which are temporarily not in use.

The Group's premises were valued on 25th May, 1973 on a going concern basis by Eddisons, Chartered Surveyors, at £547,500 which is some £275,000 greater than the amount shown in the statement of the Group's net assets at 31st March, 1973 set out in the Accountants' Report below. The directors have no present intention of incorporating this valuation in the books of account.

Further details of the premises owned by the Group are shown under Statutory and General Information below.

Management and Employees
Mr. A. Y. Wilson, aged 55 years, who joined Austin in 1946, is Chairman and Managing Director of all the companies in the Group. He also has particular responsibility for the structural engineering division of Austin. Mr. E. G. T. Firth, aged 62 years, joined Austin in 1930 and is the director in charge of the steel stockholding division. Mr. L. V. Hampshire, aged 59 years, joined Austin in 1944 and is Financial Director and Secretary of the Company. Mr. Firth and Mr. Hampshire are also directors of Austin and Riley. Each director has entered into a service agreement with the Company, details of which are set out under Statutory and General Information below.

Mr. D. Charlton, M.I.Struct.E., aged 36 years, has recently joined Austin and been appointed to the Board of that company. He is now responsible with Mr. Wilson for the structural engineering division, having had some twenty years experience in that business. It is intended that Mr. Charlton will take over full responsibility for the structural engineering division from Mr. Wilson. Mr. R. T. Firth, B.Com., aged 30 years, export manager and assistant commercial manager of the stockholding division of Austin where he has been employed for eight years, has also been appointed to the Board of Austin. Mr. J. Davis, aged 67 years, is a director of Riley and has been its general manager for 20 years.

The majority of the Group's experienced team of senior and middle management has over 15 years of service. The Group has over 300 employees with a full time training officer responsible for supervising the training of employees when necessary. Labour relations are very good and no difficulty has been experienced in recruiting additional labour when required. Both Austin and Riley operate contributory pension and life assurance schemes for staff and non-contributory schemes for works employees.

Working Capital
The Directors are of the opinion that the Group has adequate working capital for its present requirements.

Turnover
External turnover of the three operating divisions of the Group and the respective proportions of the Group total for each of the five years ended 31st March, 1973 were as follows:—

	Steel Stockholding		Structural Engineering		Riley		Total
	£'000	%	£'000	%	£'000	%	£'000
1969	1,715	67	649	25	217	8	2,581
1970	3,258	76	730	17	318	7	4,306
1971	3,386	72	905	19	439	9	4,730
1972	2,208	63	973	28	311	9	3,492
1973	2,955	72	830	20	309	8	4,094

In the year ended 31st March, 1973, 11·5% by value of the Group's turnover was exported, of which nearly half went to the countries of the European Economic Community and the balance mainly to Scandinavia and the Middle East.

Group turnover has expanded over the last five years to record levels, the average for this period being nearly double that of the previous five years. This expansion reflects the benefits of the new warehouse built in 1966 and the increasing amount in tonnage and value terms of steel handled by Austin. Turnover in individual years is largely determined by the general level of economic activity, in particular the level of capital expenditure in the engineering and allied industries. The steel stockholding division, dealing mainly in the heavier types of steel supplied to the capital goods industries, reacts more quickly to changes in demand than the structural engineering division or Riley. Accordingly, the downturn in demand experienced during the financial year ended 31st March, 1972 had a more rapid effect on the steel stockholding division than on the structural engineering division where, due to the low level of industrial investment initiated in that year and to the effect of steel shortages and the postponement of planned investment projects as a result of the Government's counter-inflation proposals, turnover declined in the following year. The curtailment of investment programmes, particularly in the chemical and allied industries, was primarily responsible for the fall in Riley's turnover during the two years ended 31st March, 1973.

Trading conditions for the steel stockholding division began to improve in the second half of 1972, with demand accelerating rapidly in the final quarter of the year ended 31st March, 1973. Similarly an improvement was felt in the structural engineering division by the beginning of the current financial year, although Riley is only now experiencing a revival of interest.

Profits, Dividends and Prospects
As shown by the Accountants' Report below, Group profits before taxation, which have tended to follow variations in turnover, expanded to an historical peak of £451,000 in the year ended 31st March, 1971. This figure was some three times greater than the previous peak achieved in the year ended 31st March, 1968 and largely reflected the increases in turnover and tonnages handled by the steel stockholding division. Profits in each of the last four financial years have also been affected by one or more increases in the price of steel, giving rise to favourable realisations of stocks on hand, particularly in the two years ended 31st March, 1972. This factor apart, gross profit margins of the stockholding division improved in the year ended 31st March, 1973 as a result of increased demand, having remained virtually unchanged over the previous four years. The profits of the structural engineering division rose to a peak in the year ended 31st March, 1972 and were reduced sharply in the following year because of the competitive conditions then prevailing in the industry.

During the first four months of the current financial year, turnover of the steel stockholding division was more than double that of the corresponding period of the previous year, but it is forecast at a reduced level in the remaining eight months because supplies of steel are presently not sufficient to meet demand. Nevertheless, with further increases in the price of steel which became effective at the end of April 1973, the Directors expect profits from steel stockholding to reach a record level in the year ending 31st March, 1974. Profits of the structural engineering division in the current financial year will also be affected to some extent by steel supply problems and the completion of orders accepted during the previous year at lower margins, but the Directors expect that the results of this division will show an improvement over the previous year. Riley is still experiencing a shortage of demand for its products and is likely to make little contribution to profits in the current financial year.

Having regard to the substantial increase in turnover in the first four months of the current financial year contracts on hand for structural and other engineering work and forecasts of turnover for the remainder of the year and on the basis of the assumptions set out under the heading Profit Forecast below, the Directors expect that, subject to unforeseen circumstances, the Group profits before taxation for the year ending 31st March, 1974 will be not less than £500,000. A further increase in the price of steel is expected shortly and there could be an additional benefit to profits in the current year if it were to come into effect before 31st March, 1974.

On the basis of profits before taxation of £500,000 the Directors expect to pay in respect of the year ending 31st March, 1974 dividends totalling 3·5p per share (which with the related tax credit of 3/7ths of the dividend paid would be equivalent to 5·0p per share gross) payable as an interim dividend of 1·5p per share in March, 1974 and a final dividend of 2·0p per share in September, 1974.

On this basis and assuming corporation tax at 50 per cent. the appropriation of such profits would be as follows:—

	£
Profits before taxation	500,000
Corporation tax	250,000
Profits after taxation	250,000
Ordinary dividends	105,000
Retained profits	145,000

On this basis at the Offer for Sale price of 67p per share the nil and net price earnings multiple would be 9·04, and the net dividend of 3·5p per share, which would be covered 2·4 times by profits after taxation, together with the associated tax credit would result in a gross dividend yield of 7·5 per cent.

Over the years, steel stockholders have played an increasingly important role in the distribution of steel, particularly in some of the main types supplied by Austin. Located close to its main supplying mills, Austin is also benefitting from the recent introduction of a base point pricing system for the majority of its supplies. Having the cash resources to finance expansion, the premises with capacity to handle increased business and the land available for development, the Group is well placed for the future.

ACCOUNTANTS' REPORT

The following is a copy of a joint report by the auditors of the Company, Robson, Rhodes & Co. and the Reporting Accountants, Price Waterhouse & Co.:—

To — 13th September, 1973.
The Directors,
James Austin Steel Holdings Limited
and to
Rowe, Swann & Co.
Gentlemen,

1. We report that James Austin Steel Holdings Limited ("the Company") was incorporated on 30th March, 1973 with an issued capital of £2 and has not yet made up any accounts or paid any dividends. On 13th September, 1973 the Company acquired, mainly in exchange for shares, the whole of the issued capital of James Austin & Sons (Dewsbury) Limited and we report below on the accounts of that company and its subsidiaries.

2. We have examined the books and accounts of James Austin & Sons (Dewsbury) Limited ("Austin") and its subsidiaries for the five years ended 31st March, 1973. Austin and its subsidiaries are collectively referred to in this report as "the Group".

Accounting Policies
3. The principal accounting policies presently in use in the preparation of the Group's accounts, which have been adopted for the purposes of this report, are as stated below.
(a) Turnover
Turnover represents the invoice value of goods despatched to external customers after deducting allowances, trade discounts and returns.
(b) Depreciation
Provisions for depreciation are calculated on a straight line basis by reference to the cost of assets over the following periods:

Buildings	40 years
Plant, equipment and vehicles	Periods ranging from 5 to 20 years depending on the anticipated useful lives.

No depreciation is provided on land.
(c) Stocks and work in progress
Stocks of steel and other materials are valued at the lower of cost and net realisable value.
Work in progress is valued at cost, which includes an appropriate proportion of overheads together with, for structural engineering contracts, an addition of a proportion of the profit expected to be earned on each contract. Provisions are made for all known or anticipated losses.
(d) Deferred taxation
Amounts are set aside for deferred taxation representing the effect of corporation tax (at the relevant annual rate) deferred by capital allowances, after taking account of unabsorbed investment grants, and of items allocated for taxation purposes to periods other than the current accounting period.
(e) Investment grants
Investment grants have been credited to an equalisation account on receipt and are being released to profit and loss account by ten equal annual instalments.

Turnover, Profits and Dividends
4. At the time of their examination, the records supporting stock quantities and valuations at 31st March, 1968 were no longer available and accordingly Price Waterhouse & Co. are unable to confirm the net assets at that date and the profits for the year ended 31st March, 1969. However, Robson, Rhodes & Co. were able to examine those records at the time of their audits and confirm that the stocks and work in progress at 31st March, 1968 were properly ascertained. With this reservation by Price Waterhouse & Co., the turnover, profits, dividends and retained profits of the Group for the five years ended 31st March, 1973, based on the audited accounts, and after making such adjustments as we consider appropriate, were as follows:

Years ended 31st March	1969	1970	1971	1972	1973
	£'000	£'000	£'000	£'000	£'000
Turnover	2,581	4,306	4,730	3,492	4,094
Cost of sales including:	2,498	3,936	4,279	3,142	[illegible]
Depreciation	38	37	34	38	45
Investment grants credited to revenue	(2)	(2)	(2)	(2)	(2)
	86	370	451	250	346
Interest receivable	—	—	—	3	21
Profits before taxation	86	370	451	253	367
Taxation	39	158	180	143	140
Net profits after taxation	47	212	271	210	227
Dividends on preference shares (gross)	3	3	3	3	3
Profits attributable to ordinary shareholders	44	209	268	207	224
Dividends on ordinary shares (see below)	16	21	25	25	24
Retained profits	28	188	243	182	200
The rates of dividend paid on the ordinary capital of £65,600 in issue throughout the period were					
Paid under deduction of income tax— Gross	25%	32·5%	37·5%	37·5%	
Paid without deduction of income tax (Gross equivalent 52·5%)					36·75%

The aggregate amount of the emoluments of the directors of Austin, who have all been appointed directors of the Company, for the year ended 31st March, 1973 was £30,911. Under the arrangements now in force the emoluments of those directors would have been £34,460, per annum.

Net Assets
5. The net tangible assets of Austin and of the Group at 31st March, 1973 based upon the audited balance sheets at that date were as follows:—

Austin Cost £'000	Austin Depreciation £'000	Austin £'000		The Group Cost £'000	The Group Depreciation £'000	The Group £'000
			Fixed Assets			
343	96	247	Land and buildings	386	114	272
336	208	128	Plant, equipment and vehicles	433	292	141
679	304	375		819	406	413
		(9)	Investment Grant Account			(11)
		366				402
	40		Shares in subsidiaries			
	(42)		Amounts owing to subsidiaries			
		(2)				
			Current Assets			
1,052			Stocks and work in progress, after deducting cash received on account	1,121		
1,046			Debtors and prepayments	1,094		
84			Cash at bank and in hand	155		
	2,182				2,360	
			Less: Current Liabilities			
503			Creditors and accruals	535		
183			Current taxation	187		
24			Dividends	24		
	710				746	
		1,452	Net Current Assets			1,614
		(32)	Deferred Taxation			(32)
		1,784	Net Tangible Assets			1,984

Land and buildings are freehold except for certain long leasehold properties, book amount £20,000, the freehold reversions of which have been acquired since 31st March, 1973 at a cost of £1,139.

	Austin £'000	The Group £'000
Stocks and work in progress were as follows:		
Stocks	901	91[illegible]
Work in progress	192	28[illegible]
Less: Cash received on account	41	8[illegible]
	151	20[illegible]
	1,052	1,12[illegible]
Capital commitments were:		
Authorised but not committed	9	[illegible]
Authorised and committed	5	[illegible]

Contingent liabilities may arise from time to time in connection with contr[act] work. Provision has been made for any such liabilities to the extent that [the] directors consider they will fall upon the Group.

Summary of Consolidated Net Assets
6. With the reservation by Price Waterhouse & Co. in paragraph 4 above a[s to] stocks and work in progress at 31st March, 1968, the net tangible assets of [the] Group at the accounting dates 31st March, 1968 to 31st March, 19[73] inclusive, based on the audited balance sheets and after making such adju[st]ments as we consider appropriate were as follows:

	1968	1969	1970	1971	1972	197[3]
	£'000	£'000	£'000	£'000	£'000	£'00[0]
Fixed Assets at cost less Depreciation	387	355	381	365	383	4[illegible]
Current Assets						
Stocks and work in progress less payments on account	450	592	641	897	731	1,121
Short term investments	—	—	—	—	150	—
Debtors and prepayments	546	752	1,089	879	717	1,094
Cash at bank and in hand	1	1	1	1	246	155
	997	1,345	1,731	1,677	1,844	2,3[illegible]
Current Liabilities						
Creditors and Accruals	111	236	298	270	196	535
Bank overdraft	1	165	220	43	—	—
Current taxation	83	81	181	286	193	187
Dividends	16	18	21	25	25	24
	211	520	720	624	414	746
Net Current Assets	786	825	1,011	1,253	1,430	1,614
Deferred Taxation	(10)	(9)	(13)	(16)	(29)	(32)
Net Tangible Assets	1,143	1,171	1,359	1,602	1,784	1,984
Representing: Share Capital						
7 per cent. Cumulative Preference	40	40	40	40	40	40
Ordinary	66	66	66	66	66	66
Retained Profits	1,037	1,065	1,253	1,496	1,678	1,878
	1,143	1,171	1,359	1,602	1,784	1,984

Bank overdrafts were secured by debentures amounting to £75,000 whi[ch] have been cancelled subsequent to 31st March, 1973.

Accounts
7. No accounts of Austin or its subsidiaries have been prepared for su[b]mission to members for any period subsequent to 31st March, 1973.

Yours faithfully,
Robson, Rhodes & Co. — Price Waterhouse & C[o.]

PROFIT FORECAST

Assumptions
The principal assumptions on which the forecast of profits by the directors f[or] the financial year ending 31st March, 1974, has been made are that:—
1. Supplies of steel will not be reduced below the level now expected.
2. Supplies of materials and services will not be unduly affected by industri[al] disputes.
3. Increases in wages and other costs, apart from known increases, will not [be] at a significantly greater overall rate than in the previous financial year.
4. Profits will not be adversely affected by further restraints imposed by th[e] government.

Letters
The following are copies of letters received by the Board of the Compan[y] relating to the profit forecast for the year ending 31st March, 1974:—

The Directors,
James Austin Steel Holdings Limited. — 13th September, 197[3]
Gentlemen,

We have reviewed the accounting bases and calculations for the prof[it] forecasts of James Austin Steel Holdings Limited and its subsidiaries, fo[r] which the Directors are solely responsible, for the year ending 31st March 1974 set out under the heading "Profits, Dividends and Prospects" in th[e] Offer for Sale dated 13th September, 1973.

In our opinion the forecast, so far as accounting bases and calculations ar[e] concerned, has been properly compiled on the footing of the assumption[s] made by the Directors set out in the Offer for Sale and is presented on a basi[s] consistent with the accounting policies normally adopted by the company an[d] its subsidiaries.

Yours faithfully,
Robson, Rhodes & Co., Chartered Accountants — Price Waterhouse & Co, Chartered Accountant[s]

The Directors,
James Austin Steel Holdings Limited. — 13th September, 1973
Gentlemen,

We refer to the Offer for Sale dated 13th September, 1973 which contains a forecast (for which you, as Directors, are solely responsible) of the profits of James Austin Steel Holdings Limited and its subsidiaries for the year ending 31st March, 1974.

We have discussed with you the bases and assumptions upon which the forecast has been made and have considered the letter dated 13th September, 1973 addressed to you from Robson, Rhodes & Co. and Price Waterhouse & Co. regarding the accounting bases and calculations for the forecast.

In our opinion the profit forecast for the year ending 31st March, 1974 has been prepared with due care and consideration.

Yours faithfully,
Rowe, Swann & Co.
Stockbrokers

[illegible]heck noise of [illegible]oncorde 02, [illegible].S. groups urged

[illegible]Y JAMES McDONALD

[illegible] ANTI-CONCORDE Project, [illegible]h claims to be "part of a [illegible]ld-wide movement opposing [illegible] supersonic airliners," has [illegible]sed its American counter[illegible] to monitor the noise level [illegible]oncorde 02 when the airliner [illegible]s the U.S. for the first time [illegible]e end of this week.

[illegible]oncorde 02, the French-[illegible]mbled second pre-production [illegible]ion of the Anglo-French [illegible]rsonic airliner, will leave [illegible]louse to-morrow for the [illegible]guration of the new Dallas-[illegible] Worth (Texas) airport on [illegible]rday.

[illegible]ith British Airways livery on [illegible] side of the fuselage and Air [illegible]ce's on the other—they are [illegible] only airlines so far to place [illegible] orders—the airliner will fly [illegible] to Caracas, Venezuela, to [illegible] a demonstration.

[illegible]ter, it will fly to Dallas. Dur[illegible] its stay there, it will be [illegible]onstrated to U.S. airlines, [illegible]iding Braniff International, [illegible]rded as the most likely [illegible]rican customer in the near [illegible]re.

[illegible]oncorde 02 is similar to the [illegible]aft that will go into service [illegible] British Airways and Air [illegible]ce early in 1975.

[illegible] is fitted with the latest version of the Rolls-Royce Olympus 593 engine, claimed to be virtually smoke-free, and which has improved nozzles at the rear to deflect sound from the ground.

The makers claim the engines will be no noisier than the Boeing 707 and VC-10 airliners, although not so quiet as the latest "big fans" which power the new generation of wide-bodied jet aircraft.

However, the Anti-Concorde Project has said it has advised its U.S. counterparts of the importance of having the noise levels of Concorde 02 measured, because, as the aircraft is based in France, "we have had no opportunity to get any measurement of its noise." It adds: "No noise figures for 02 have been published.

"Any U.S. airline commitment to Concorde would lead to renewed demands for development of a U.S. supersonic transport. U.S. anti-supersonic and anti-noise groups—and environmental organisations generally—will wish to make it clear that commercial Concorde operations at U.S. airports would not be tolerated."

[illegible]EGIONAL MARKETS

[illegible]

APPOINTMENTS

Rolls-Royce & Associates Board posts

Mr. S. K. Wallace and Mr. N. Warne have been appointed directors of ROLLS-ROYCE AND ASSOCIATES. Mr. Wallace is responsible for personnel and administration and Mr. Warne for production and product support.

Rolls-Royce and Associates is a subsidiary of Rolls-Royce (1971) which undertakes the design, development and procurement of nuclear steam-raising plant for naval purposes. The other shareholders in the company are Vickers, Foster Wheeler and Babcock and Wilcox.

★

Mr. Terence Wheeler has been appointed a director and general manager of HUMPHRIES FILM LABORATORIES, and joins the company on October 1.

★

Two new directors have been appointed in the finance division of the BRITISH STEEL CORPORATION'S head office. They are Mr. Anthony Foster who becomes director, project analysis, and Mr. Noel A. T. Moloney who is appointed director, profit analysis.

★

Mr. A. R. Josling has been appointed financial controller—overseas operations for RANSOME HOFFMANN POLLARD.

★

Mr. Ken Andrews has been appointed commercial director of BROOKE BOND OXO and Mr. David Lewis becomes finance director. Mr. Lewis succeeds Mr. John Osborn who has returned to the parent company to co-ordinate finance for the European division.

★

Following the recent acquisition of the majority of the equity of Bandata, by Logabax S.A. of Paris, Bandata will now trade in the U.K. under the name of its parent company as Logabax. The Board of the new company is: M. J. Chevalier, M. G. Seban and M. C. L. Fourneuf, all of the French parent company, together with Mr. E. F. Lewis and Mr. R. W. Jones, who continues as managing director.

★

Mr. Ronald E. Cavalier has been appointed managing director of CLAUDGEN, a member of the GEC group.

★

Mr. B. W. G. Old has been appointed chairman of the BOURNEMOUTH AND CHRISTCHURCH BUILDING SOCIETY, and he succeeds Mr. S. W. Killinger who is retiring at the end of the year. Mr. P. W. Hayward will succeed Mr. Old as vice-chairman.

★

Mr. Brian Purton, general manager, has joined the Board of the INDIVIDUAL LIFE INSURANCE COMPANY.

★

Mr. H. E. Sear, previously secretary, has been appointed joint managing director of CBR JERSEY (HOLDINGS) and Mr. R. Kirk-Bell, previously chief accountant, is appointed secretary.

★

Mr. F. S. Jamieson, deputy general manager of STANDARD LIFE ASSURANCE COMPANY is to retire on October 15 after 42 years' service.

★

Mr. L. B. Baker, a director and sales manager, has resigned from STONE and WEBSTER ENGINEERING.

★

Mr. D. O. Davis, who is a director of RECKITT and COLMAN, will in future be concentrating on corporate and non-divisional matters. He will shortly be relinquishing his duties as managing director of the household division, while continuing to be based in Hull. He will be succeeded by Mr. Hugh Thomas, general manager in Brazil, who will take over at Hull from January.

★

Mr. Bob Muir has been appointed managing director of SUPA CENTA, the company formed by the Lewis's/Selfridge Department Store group and Key Markets, to operate superstores. Mr. Muir was previously managing director of Trade Plazas.

★

Mr. Richard Mather has been appointed vice-president, business planning, IDEAL-STANDARD EUROPE. He moved to Brussels in 1971 as European director of marketing. Previously he had been general manager, marketing, of Ideal-Standard's U.K. company.

★

Mr. K. S. Holden has been appointed assistant general manager (staff), head office, of BARCLAYS BANK INTERNATIONAL, in succession to Mr. D. I. Wharrie who retires in the near future.

Mr. R. J. Potts has been appointed a local director, U.K. local head office, to succeed Mr. Holden and Mr. G. A. Elce as chief manager of 168 Fenchurch Street branch in succession to Mr. Potts.

★

Mr. Jeremy Lancaster has been appointed deputy managing director of the Wolseley-Hughes Group and Mr. Trevor Pearson has been appointed chief executive of its merchanting companies.

★

Mr. David J. Beckett, managing director of MMI (Personnel), has been appointed a director of MARKETING AND MANPOWER INTERNATIONAL.

HOME CONTRACTS

William Loudon wins £1.6m. housing order

William Loudon and Son has been awarded a £1,614,557 contract to build 301 houses in the Greenhills residential area of East Kilbride by the East Kilbride and Stonehouse Development Corporation.

★

Jno. Croad has been awarded a contract worth £400,000 to construct a torpedo research and development laboratory at The Airport, Portsmouth, for Marconi Space and Defence Systems. Work is due to commence immediately and the contract period is 16 months.

★

Gibbons Brothers, a member of the Gibbons Dudley Group, is to supply the British Steel Corporation's Scunthorpe works with an oscillating roller hearth type plate heat treatment furnace under a contract worth over £250,000.

★

Shepherd Construction has been awarded a contract worth £1¼m. by Leeds Regional Hospital Board for the second phase of the new York District Hospital. Completion of Phase 2 is scheduled for early 1976.

★

Plessey Radio has been awarded a £425,000 contract by the Commonwealth of Australia for the supply and installation of an H.F. communications system.

The equipment is for use at a Royal Australian Navy shore station.

Cut in grants to Midlands universities

THE NEW Nottinghamshire County Council has decided to discontinue grants totalling £35,000 a year in cash to Nottingham, Loughborough and Sheffield Universities, when it takes office next April. Instead, it will give a capital grant of £70,000 to Nottingham University only in the next two years.

Cllr. M. Cowan, a Labour spokesman, said the university had a £7m. income and he thought the money spent on grants was needed more by voluntary organisations. Previous grants to the universities had been on a goodwill basis. It was hoped the capital grant to Nottingham University would support some specific research project.

THE JOBS COLUMN

To lead settlements through shake-up

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

IF YOU'RE in the securities business you will probably have heard of P. H. Smith, head of settlements at the Stock Exchange in London. His approaching retirement will almost coincide with the start in January of the five-year programme in which the SE intends to bring its settlements and other services to a highly developed level, with much harnessing of computer power.

So whoever succeeds Mr. Smith will be "managing change" as part of the job, which carries responsibility for all the settlement services. At least 500 people and £2m.-plus worth of computer equipment will be in the newcomer's charge.

Responsibility is to Michael Bennett, managing director of the Stock Exchange's Directorate of Information Systems and Settlements (69 Wilson Street, London, E.C.2—he will be on holiday in Greece until next week). The job title is general manager, settlements.

One need is experience of managing a large organisation, including control of a computer set-up. The other prime need is personal standing in the securities business.

People in the banking world —say—might have more of the first than the second. People in Stock Exchange member firms might be situated the other way round. Both, however, would be considered as candidates. Age about 40-50.

Salary at least £10,000. Non-contributory pension. Four to five weeks' holidays.

Two high wires in Bristol

Next come a couple of jobs with the South Western Electricity Board in Bristol. Both are at chief officer level, reporting to the chairman Glyn England.

The first is entitled chief accountant, and heads financial operations throughout the SWEB's area. In the chief's domain are a 40-staff finance department at Bristol dealing with budgeting, management accounting and the like, and a 400-staff central accounting office at Plymouth dealing with payments, receipts, salaries, computer work and so on.

Responsibilities also include advising the finance committee which authorises financial action, and developing systems.

Candidates must be accountants, preferably with a degree as well, who have had management responsibility for computer-connected financial operations in a big concern.

The title of the second job is secretary, but the responsibilities cover far more than Board proceedings and advice on legal matters. In fact, the newcomer will act as head of administration including all aspects of personnel work, land and buildings, public relations, and head office services. Staff number about 60.

Essentials are a successful record on the administration side of a large complex organisation, and appropriate degree or professional qualification.

The preferred age for both jobs is 40s, but older people with the right qualifications are not ruled out.

Salary for both is negotiable between £7,000 and £9,000. Car. Contributory pension. Help with removal. Four weeks' holiday. Applications to George Barker-Benfield of MSL (17, Stratton St., London W1X 6DB).

Management courses chief

Industrial and Commercial Techniques wants a managing director for its London-based external training division, which stages short management-type courses by American and other experts in the U.K. and European countries including Holland, Italy, Germany and Scandinavia.

Alan Berry, chairman of the Venida Investments subsidiary (15 Arthur Street, London, EC4R 9BS) specifies success in running a business operation, sound knowledge of the "management science" field, and a keen eye for new, marketable developments. Age 40-plus.

Salary £5,000 upwards, share of equity and profits in view, car, etc. Business prospects "look very good."

Sotheby's subsidiary

Sotheby's wants a proven business man to join its subsidiary, James Bourlet and Sons, and take over when managing director William Ball retires in 1974.

The newcomer will have to expand the business from its base of expertise in packing and shipping objects of fine art, and making picture frames.

Knowledge of these skills is desired, but skill in import and export procedures is more important. "You have to deliver goods in time for sale deadlines in all sorts of countries," says Michael Ritchie (33-35 New Bond Street, London W1A 2AA). Salary £5,000 or more. Rest negotiable.

MANAGER
Banking

Expanding City-based private bank seeks a senior banker with sound technical background to fill a new appointment as Manager, Administration. He will answer directly to the Chief Executive and will be responsible to him for the efficient management and organisation of the banking operations.

Candidates should be qualified and be between 40 and 57 years of age. They will possess sound experience in all aspects of banking, preferably with a joint stock bank or with a U.K. office of an overseas bank.

The small staff of the bank are young and energetic and the successful candidate will have qualities of sound leadership and good man management.

Knowledge of computer accounting will be an advantage. The initial salary will be not less than £5,000 per annum and while there is no upper limit will be dependent on experience and ability. Usual fringe benefits.

Write in strict confidence with full details of career to date to Box T.2605, Financial Times, 10, Cannon Street, EC4P 4BY.

COMMERCIAL SYSTEMS CONSULTANT

LONDON **c£4,000**

We are an established London Computer soft ware house. There is a vacancy for an experienced consultant to take charge of and further the design of all our commercial systems.

The candidate we are looking for should have a degree and/or Accountancy qualification and wide experience of computer based management systems.

Salary will be negotiated in the region of £4,000 p.a. plus fringe benefits. Any relocation expenses reimbursed.

Please write with curriculum vitae to:

The Managing Director
Computation Research and Development
12/15 Dartmouth Street
London SW1H 9BL

Secretary
Association of Certified Accountants

The Secretary is effectively Chief Executive of the Association which is the second largest professional body of accountants in the United Kingdom and is growing rapidly. As the right-hand man of the President and Council, the Secretary represents the Association in top level contacts at home and abroad and directs a team of senior colleagues handling the varied aspects of the Association's affairs, including membership, education, finance, administration, technical research and public relations.

Applications are invited from experienced executives who, ideally, will already have held a similar position in another professional body or organisation of similar status. Candidates should hold a degree and/or an appropriate professional qualification and will probably be in their 40s. High personal attributes are essential.

Starting salary negotiable above £7,000. Pleasant central London location. Candidates must be prepared for a certain amount of overseas travel.

Please apply in the strictest confidence quoting reference number 1489 to Clive & Stokes, 14 Bolton Street, London W1Y 8JL.

Clive&Stokes
Appointments & Personnel Consultants

Experienced Foreign Exchange Dealer

required by London Branch of Leading Continenta[l] Bank. Applicant should be aged 28-35 wit[h] thorough knowledge of all aspects of the marke[t]. Salary negotiable and competitive with usua[l] fringe benefits. All applications will be treate[d] in strictest confidence and should be addressed t[o] Box T.2631, Financial Times, 10, Cannon Stree[t] EC4P 4BY.

APPOINTMENTS

MANAGING DIRECTOR

Required by well established and expanding organisation in the City, specialising in the presentation of courses and seminars in a wide range of industrial and commercial techniques. These are held in a number of European centres as well as in the U.K.

The appointee must be a first class administrator and be in close touch with developments in management techniques. He must be able to originate programmes and find suitable lecturers.

Starting salary will be at least £5,000 p.a., whilst equity participation and/or profit sharing are possible. Additional benefits include a car and generous pension and life assurance arrangements.

Reply in writing to:- A. BERRY, F.C.A.
VENIDA INVESTMENTS LTD., 15, ARTHUR STREET, LONDON, EC4R 9BS.

DIRECTOR DESIGNATE FOREIGN BUSINESS
£8,000

Top man, preferably with Clearing Bank experience, sought by growing Merchant Bank to control and expand Foreign Business. Age 40-52. Reply initially to D. J. Fisher, Managing Director,
COVENT GARDEN APPOINTMENTS,
53 Fleet Street, London, EC4.
01-353 1164/4316.

CITY MERCHANT BANK

We are looking for an experienced

TRADER

in

SILVER AND PRECIOUS METALS

Established business dealing, arbitrage and clients' account. Attractive terms and share of profits for right applicant.

Replies to Box No. T.2630, Financial Times, 10, Cannon Street, EC4P 4BY.

ACCOUNTANTS and Qualified and Partly Qualified City Jobs from £2,000 p.a. to £5,000 p.a. at City Centre Staff Bureau, 43 Bow Lane, London EC4. Telephone 236-5843.

APPOINTMENTS WANTED

HIGHLY QUALIFIED SENIOR EXECUTIVE

with wide U.K. experience in far reaching chemical and economic areas seeks new challenging position in business development. Extensive Board and other top level executive experience. Age 45. Outstanding technical qualifications. Wide executive responsibilities include business development and market surveys in several countries, and technical and economic analyses. Overseas experience especially in Europe (EEC), USA and Japan extensive.
Write Box T.2634, Financial Times, 10, Cannon Street, EC4P 4BY.

JERSEY RESIDENT CHARTER[ED] ACCOUNTANT

seeks demanding position or bu[siness] association based in Jersey. [...] post-qualification experience incl[uding] All commodity and stockmarket a[ctivi]ties, Unit Trusts, local tax[...] Exchange Control, Trusts, H.P., Leasing, Merchant Banking, Com[pany] Administration, Staff Control. P[lease] reply to Box T.2633, Financial T[imes], 10, Cannon Street, EC4P 4BY.

RETIRING BANK MANAG[ER]

Age 60, seeks post in Lon[don] preferably West End. S[alary] £4,000/5,000. Write Box T.2[...] Financial Times, 10, Can[non] Street, EC4P 4BY.

ADAPTABLE PA-Executive Sec[retary] mature lady exp. orgr. accounts, langs. for City Cen. Ldn. We[st] Sal. and full details.—Box T[...] Financial Times, 10, Cannon [Street,] EC4P 4BY.

COMPANY NOTICES

CENTRAL SOUTH AFRICAN LANDS & MINES LIMITED

(Incorporated with limited liability in the Republic of South Africa)

NOTICE IS HEREBY GIVEN that the Preference Share Transfer Books and Register of Members will be closed from 29th September to 5th October, 1973, both days inclusive, for the preparation of warrants in respect of the Preference Dividend for the six months ending 30th September, 1973.

BY ORDER OF THE BOARD,
AFRICAN FINANCE CORPORATION LIMITED,
London Secretaries.
per: A. T. Tickner.

London Office:
62 London Wall, EC2R 7JT.
14th September, 1973.

INTERNATIONAL DEPOSITARY RECEIPTS REPRESENTING SHARES PAR VALUE $2.50 COMMON STOCK J. P. MORGAN & CO. INCORPORATED

A CASH DISTRIBUTION of $0.365 per Depositary share will be payable on and after the 22nd October, 1973, upon the presentation of Coupon No. 12 at:
Morgan Guaranty Trust Company of New York
23 Wall Street (Corporate Trust Department), New York
27 Avenue des Arts, Brussels
33 Lombard Street, London
82 Frankrijklei, Antwerp
at the designated rate, less applicable taxes.

This distribution is in respect of the regular quarterly dividend payable on the Common Shares p.v. $2.50 J. P. Morgan & Co. Incorporated on the 15th October, 1973.

THE "SHELL" TRANSPORT AND TRADING COMPANY LIMITED

NOTICE IS HEREBY GIVEN that a balance of the Register will be struck on Friday, 5th October, 1973, for the preparation of warrants for an interim Dividend for the year 1973 of 4.41p per 25p Ordinary Share, payable on 5th November, 1973.

For transferees to receive this dividend, their transfers must be lodged with the Company's Registrar, Lloyds Bank Limited, Registrar's Department, The Causeway, Goring-by-Sea, Worthing, Sussex BN12 6DA, not later than 3.00 p.m. on 5th October, 1973.

SHARE WARRANTS TO BEARER

The Coupon to be presented for the above dividend is No. 147, which must be left at Lloyds Bank Limited, 39 Threadneedle Street, London, EC2R 8AU, at least five clear days for examination, or may be surrendered through MM. Lazard Frères, Paris.

BY ORDER OF THE BOARD,
A. R. HARVEY,
Secretary.

Shell Centre,
London, SE1 7NA.
13th September, 1973.

LEADERFLUSH (DOORS) LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary Share Register of the Company will be closed on Tuesday, 2nd October, 1973 for that day only for the preparation of Dividend Warrants payable on 12th October, 1973.

By Order of the Board.
N. W. Helinight, F.C.I.S.,
Secretary.

LEGAL NOTICE

PREVENTION OF FRAUD (INVESTMENTS) ACT 1958

Notice is hereby given that—

1. Rutland Guarantee Limited of 49 St. James's Street, London, S.W.1 (formerly of 36 St. James's Street, S.W.1) has relinquished the Principal's licence issued pursuant to Section 3 of the Act.
2. Rutland Guarantee Limited has made application to the Department of Trade and Industry pursuant to Regulation 5 of the Prevention of Fraud (Investments) Deposit Regulation 1944 (S R & O 1944 No. 541) for the release of the securities deposited in pursuance of Section 4 of the Act.
3. Any persons having a claim on the funds representing the deposit should send their names and addresses and details of their claim to the Assistant Secretary, Insurance and Companies Department, Department of Trade and Industry, Sanctuary Buildings, Great Smith Street, London, S.W.1, not later than Friday, 5th October, 1973.

CINEMAS—(Cont[inued])

ODEON, Marble Arch. (723 2[...]) Elizabeth Taylor, Laurence Harvey, Whitelaw NIGHT WATCH (X) Sep. Progs. 1.15, 3.30, 8.15. [...] 1.55, 5.10, 8.55. All seats bookable.

ODEON, St. Martins Lane. 836 069[...] George Segal, Glenda Jackson. A [TOUCH] OF CLASS (AA). Cont. Progs. 2.0[...] 6.15, 8.30. Feature 2.10, 4.25, [...] 9.00.

PARAMOUNT, Lower Regent St. [...] 8494. THE DAY OF THE JACKA[L] Progs. 2.15, 5.15, 8.15. Sep. Per[fs.] seats bookable.

PRINCE CHARLES, Leic. Sq. 437 [...] LAST TANGO IN PARIS (X). Sep. [perfs.] dly. (inc. Sun.) 2.45, 6.15, 9.00, [...] Box Office OPEN DAILY. All seats [...]

RIALTO. 437 3488. FIST OF FU[RY] Progs. 1.30, 3.40, 5.55, 8.10.

SCENE 4, Swiss Centre, Leic. Sq. [...] 4470. "THE CANTERBURY T[ALES]" (X). Sep. perfs. dly. (inc. Sun.) [...] 3.00, 6.15, 9.10, 12.00. Bkble.

STUDIO ONE, Oxford Circus. 437 [...] NOW SEE JAN-MICHAEL VINC[ENT] Walt Disney's THE WORLD'S GRE[ATEST] ATHLETE (U). Progs. 12.15, 2.45 [...] 8.00 p.m.

STUDIO TWO, Oxford Circus. 437 [...] THE DISCREET CHARM OF [THE] BOURGEOISIE (AA). Progs. 1.40, [...] 6.05, 8.25.

UNIVERSAL, Lower Regent St. 930 [...] JESUS CHRIST SUPERSTAR (A[...]) 2.00, 4.15, 6.30, 8.45. Late Sh[ow Fri.] and Sat. 11.30 p.m. Sep. perfs. Al[l] bookable.

WARNER RENDEZVOUS, Leics. [...] 439 0791. MALCOLM McDOWE[LL] [Lin]dsay Anderson's O LUCKY [MAN] (X). Sep. perfs. Weekdays 2.00, [...] Sat. 11.25 p.m. All bookable.

WARNER WEST END, Leic. Sq. 43[...] [...] Al Pacino SCARE[CROW] (X). Grand Prix Cannes Film [...] 73. Progs. 1.30, 3.45, 6.05, 8.25 [...] Fri. and Sat. 11.00 p.m.

ART GALLERIES

FIELDBORNE GALLERIES, 63 [...] Grove, N.W.8. 586 3600. [...] Exhibition HORACE BRODZKY [...] 1969. Daily 10-6. Saturday 10-1[...]

KAPLAN GALLERY, 6, Duke Str[eet St.] James's, S.W.1. 19th and 20th C[entury] French Paintings. Mon.-Fri. 10-6.

MARLBOROUGH
6, Albemarle St., W.1.
Opening 19 September
CONTEMPORARY SPANISH REALISTS
39, Old Bond St., W.1.
Until 20 October
TOM PHILLIPS
New works including "A Little Retrospective"
Daily 10-5.30. Sats. 10-12.30. Adm[...] Ill. Catalogues: each £1 post fr[ee]

MARLBOROUGH GRAPHICS LTD., [...] Old Bond St., W.1. SIDNEY N[OLAN] GRAPHICS 1965-1973. Daily [...] 5.30. Sats. 10.00-1.00. Admission [...]

ROYAL ACADEMY OF ARTS. NIMPTSCH R.A.—Sculptor. Adm[ission] 30p (Monday 20p). Students and [pensi]oners half price. Weekdays [...] Sundays 12-6.

CLUBS

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Managing Director (Designate)

for

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The man we are seeking should possess an excellent knowledge of fine art packing, and import/export procedures. A working knowledge of written and spoken French would also be useful. But most important will be his ability and initiative to attract and maintain new business.

The successful applicant will work with the present Managing Director and take over from him on his retirement next year. In this he will have the full support of a new Board who will share his aims to bring the Company added success.

Initial salary will be at least £5,000.

Applications in writing, which will be treated in the strictest confidence, to:—

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James Bourlet & Sons, Ltd.,
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Young Economist with Honours Degree wanted for employment in the International Section of a large American bank in London. Work will consist mainly of analysis of research in all international monetary matters, including balance of payments analyses, developments in national and international money, foreign exchange and capital markets. Previous practical experience will be an advantage. Equally desirable would be a knowledge of any major foreign language.

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The Managing Director,
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هكذا من الأصل

BG SECURITIES LIMITED

(Incorporated in the Republic of South Africa on 3rd January, 1947)

…ocument contains particulars given in compliance with the regulations of the Council of The Stock Exchange, London for the purpose of giving information to the public with regard to BG Securities …d ("the Company"). The directors collectively and individually accept full responsibility for the …cy of the information given and confirm, having made all reasonable enquiries, that to the best of …nowledge and belief there are no other facts the omission of which would make any statement in …ocument misleading.

…lication has been made to the Council of The Stock Exchange, London, for the whole of the … *fully paid ordinary share capital of the Company to be admitted to the official list. No such applica-*…s been made for the issued cumulative preference shares.

…document is published in connection with the introduction to The Stock Exchange, London, of …ued fully paid ordinary share capital of the Company.

SHARE CAPITAL

…orised		Issued and Fully Paid
…0,000-00	in 200,000 5½% cumulative preference shares of R2 each	R300,000-00
…0,000-00	in 5,000,000 ordinary shares of 50 cents each	R2,135,316-50
…0,000-00		R2,435,316-50

…ddition 64,100 ordinary shares of 50 cents each (1 cent paid) have been issued pursuant to the …any's share investment scheme.

…conversion rate for the Rand was R1 = 60.25p on 4th September, 1973.

…25th August, 1973, the Company and its subsidiaries ("the Group") had outstanding R2,094,280 …cent. partly convertible unsecured notes 1978, mortgages of R485,929, bank overdrafts of …710 (of which R313,009 is secured), a secured medium term loan of R295,000, acceptance credits …27,961, a contingent liability on discounted leases of R87,401 and a guarantee in respect of the …aft of a third party of R25,062. Apart from these neither the Company nor any of its subsidiaries …utstanding at 25th August, 1973, any borrowings or indebtedness in the nature of borrowing, in-…g bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance …s, hire purchase commitments, or guarantees or other material contingent liabilities.

DIRECTORS

ERNST GEORG HEINRICH HERMANN BLOHM (Chairman), A6 Hollybank, Corner Rudd and Choplin Roads, Illovo, Johannesburg.
(Chairman of Volkswagen of South Africa Limited and Director of Companies).

ALAN TODD, 1 Wimbourne Close, Gwen Lane, Sandown, Sandton, Transvaal. (Managing Director).

ELGAR BELLHOUSE PAGDEN, Littlecote, P.O. Sunland, near Port Elizabeth, Cape Province. (Attorney).

GEORGE ROBERT LEON THOMPSON, 105 Northatherstone, North Street, Illovo, Johannesburg.
(Chartered Accountant and Executive Director).

The Directors are all citizens of the Republic of South Africa with the exception of Mr. A. Todd, who is a British citizen.

BANKERS

THE TRUST BANK OF AFRICA LIMITED, 52 Commissioner Street, Johannesburg.

LONDON BROKERS

HEDDERWICK BORTHWICK & CO., 1 Moorgate, London EC2R 6AA, and The Stock Exchange.

JOHANNESBURG BROKERS

DAVIS, BORKUM, HARE & COMPANY INCORPORATED, 3rd Floor, Bank of Lisbon Building, 37 Sauer Street, Johannesburg and The Stock Exchange, Hollard Street, Johannesburg.

SOLICITORS IN THE UNITED KINGDOM

CLIFFORD-TURNER & CO., 11 Old Jewry, London EC2R 8DS.

ATTORNEYS IN SOUTH AFRICA

HAYMAN GODFREY AND SANDERSON, Prudential Assurance Building, 94 Main Street, Johannesburg.

REPORTING ACCOUNTANTS IN THE UNITED KINGDOM

TANSLEY WITT & CO., *(Chartered Accountants)* 28 Ely Place, London EC1N 6TL.

AUDITORS

WHITELEY BROTHERS, *(Chartered Accountants S.A.)* 2nd Floor, Amcor House, 38 Marshall Street, Johannesburg.

JOHANNESBURG TRANSFER OFFICE

CENTRAL REGISTRARS LIMITED, Northern Trust Building, 28 Harrison Street, Johannesburg.

UNITED KINGDOM REGISTRARS

OAKFIELD REGISTRARS LIMITED, Oakfield House, Perrymount Road, Haywards Heath, Sussex.

SECRETARY AND REGISTERED OFFICE

STANLEY NORMAN WOOD, F.C.I.S., F.C.W.A., F.C.C.A., J.Dip.M.A., 2nd Floor, Standard Bank Centre, 78 Fox Street, Johannesburg.

…story and Business

…Company was incorporated in 1947 under the name of B.G. Shoes and Leather Limited. Immediately following …ration the Company obtained, and has maintained ever since, a listing on The Johannesburg Stock Exchange. …ce then, until control passed to the Slater, Walker (South Africa) Group, it operated solely as a manufacturer of …ar and tanner of leather in Port Elizabeth and Uitenhage.

…962, Norvic Shoe Company Limited ("Norvic") acquired a controlling shareholding in the Company. In …ry 1972, after Drakes Limited had acquired control of Norvic, Slater, Walker Securities (South Africa) Limited …A") and associates acquired a majority holding in the Company from Norvic. With the financial backing and …e of SWSA, the Company embarked on a programme of acquisitions designed to increase earnings and assets …ve. With this object in mind the Company is now specialising in acquisitions of industrial and commercial …kings where the employment of the Company's industrial and financial management expertise will enhance …e of those acquisitions.

…ng the year ended 31st December, 1972, the footwear and leather business was substantially restructured. A … in Uitenhage was sold and the two footwear factories in Port Elizabeth were integrated under one …d produce men's and youths' medium priced footwear.

…e February 1972, the Company has made the following acquisitions:—

…tan-Optical Holdings Limited ("Stanoptical").—On 13th May, 1972, the Company purchased the whole …the issued share capital of Stanoptical in consideration of the issue of 464,599 ordinary shares in the Company …edited as fully paid and R350,772 in cash. On 13th May, 1972, the middle market price of the Company's …dinary shares on The Johannesburg Stock Exchange was 240 cents. Stanoptical manufactures spectacles and …ntact lenses by prescription for the optometric and ophthalmic professions and has factories in Durban, …etoria and Johannesburg. It also has a large turnover in sunglasses and ophthalmic instruments.

…ymot Holdings (Proprietary) Limited ("Cymot").—On 21st August, 1972, the Company made an offer …r the whole of the issued share capital of Cymot which was effected on 2nd October, 1972 by means of a …cheme of arrangement which involved the issue of 927,708 ordinary shares in the Company credited as fully …aid. On 2nd October, 1972, the middle market price of the Company's ordinary shares on The Johannesburg …tock Exchange was 358 cents. Cymot carries on business as a wholesaler of motor spares, accessories and …cycles and has branches throughout South Africa and in Windhoek, South West Africa.

…niversal Metal Holdings (Proprietary) Limited ("Unimetal").—On 18th December, 1972, the Com-…any purchased the whole of the issued share capital of Unimetal in consideration of the issue of 200,000 ordinary …ares in the Company credited as fully paid and R575,000 in cash. On 18th December, 1972, the middle market …rice of the Company's ordinary shares on The Johannesburg Stock Exchange was 380 cents. Unimetal is …sed in Welkom and is a very large metal reclamation merchant which buys and reprocesses ferrous and non-…errous metal for resale. It has a network of branches and depots stretching across the Orange Free State, …orthern Transvaal including Pretoria, Northern Cape and South West Africa. The properties occupied by …nimetal in connection with its business are owned by a number of property holding subsidiaries.

…he Union Whaling Company Limited ("Union Whaling").—On 30th March, 1973, the Company made …n offer for the whole of the issued share capital of Union Whaling which was effected on 21st May, 1973, by …eans of a scheme of arrangement which involved the issue of 998,326 ordinary shares in the Company credited …s fully paid and the payment of R405,458-32 in cash. On 21st May, 1973, the middle market price of the …ompany's ordinary shares on The Johannesburg Stock Exchange was 335 cents. Union Whaling is engaged in …astal whaling operations off Natal and in the production of whale oil and other allied products, which are …sed for the manufacture of food, cosmetics, lubricants and fertilisers. Union Whaling owns a fleet of seven …hale catchers and has a factory in Durban.

…the above four companies the shares of Cymot and Union Whaling were listed on The Johannesburg Stock …nge at the time they were acquired and those of Union Whaling were also listed in London. The shares of … ceased to be listed on The Johannesburg Stock Exchange on 2nd October, 1972 and those of Union Whaling …d to be listed on The Johannesburg and London Stock Exchanges on 21st May, 1973. None of the Company's …iaries has customers or suppliers who account for more than 28 per cent. of the total sales or purchases of each …iary. In the opinion of the directors new customers or suppliers will be able to be found in the event of any …er or supplier ceasing to trade with the particular subsidiary.

…he latter half of 1972 the Company incorporated three share dealing companies which have been operating as …om incorporation. These companies constitute an insignificant part of the Group's activities and there is no …ion to increase the scale of these share dealing activities.

…anagement of the Company

…chairman of the Company, Mr. E. G. H. H. Blohm, is aged 61. He is also chairman of Volkswagen of South Africa …, Unisec Limited, and The Hans Merensky group of companies. He is a non-executive director.

…A. Todd, the managing director of the Company, is aged 43 and joined the Company on 22nd February, 1972 …ned SWSA in 1969 as its industrial director and in this capacity has been responsible for some notable im-…ents in the performances of companies acquired by SWSA. He is still a director of SWSA and a member of its … committee.

…E. B. Pagden is aged 70 and is chairman of the Port Elizabeth branch of The South African Permanent Building …ty, Rue Dollar (S.A.) Limited, Carborundum-Universal S.A. (Pty) Limited, Borg-Warner S.A. (Pty) Limited …director of First National City Bank (S.A.) Limited. He is a non-executive director.

…G. R. L. Thompson is aged 34 and was appointed an executive director of the Company in December 1972. A …red accountant, he came to the Company with a wide range of financial and industrial skills acquired in senior …ments in South African industry including SWSA's industrial division.

…anagement of the Subsidiaries

…J. R. H[illegible] is aged 55 and is the managing director of Bagshaw Gibaud and Company (Proprietary) Limited. He …d the Bagshaw Gibaud group in 1933 after obtaining experience and training in the tanning industry in the …d Kingdom. He has, during his career, been chairman of the South African Tanners Association and the National …of the Industrial Council for the Leather Industry.

…J. S. Collier is aged 42 and was appointed managing director of Bagshaw Gibaud (Footwear) (Proprietary) …d last year. He has held a number of senior appointments in the footwear industry in South Africa and has been …sible for the reorganisation of the Company's footwear division.

…H. Goldberg is aged 40 and has been managing director of the Stanoptical group since its inception in 1947. …s a close knowledge of all facets of the business and under his control there has been a consistent rising trend in …ptical's profits.

…W. Linder is aged 62 and has a great deal of experience in the replacement parts and service divisions of the …trade. In 1953 he was appointed managing director of Cymot, having served in progressively more senior …ons since his first appointment in the sales division of Cymot 35 years ago.

…J. C. Malir who is aged 49 and is the chairman of Unimetal, has spent almost his entire working life in the metal …ation business. Although no longer involved in the day to day management, he continues to apply his wide …nce to the direction of Unimetal's affairs. The day to day management is under the direction of Mr. G. A. Deeb … is aged 48 and is the executive deputy chairman. He has also spent the greater part of his working life in the …reclamation business.

…L. C. S[illegible] who is aged 45 and Mr. O. C. Hough who is aged 43, joint managing directors of Union Whaling, …ch been with that company for 25 years and possess extensive knowledge of the South African offshore …ing industry.

…aff

…e Group employ[illegible] approximately 2,500 people most of whom are active in the operation of subsidiaries of …Group, namely:—

Bagshaw and Bagshaw Footwear	900
Cymot and its subsidiary	400
Stanoptical and its subsidiaries	200
Unimetal and its subsidiaries	400
Union Whaling and its subsidiary	600
	2,500

…emises

…Company and its subsidiaries have interests in 37 premises all of which are situated in South Africa. Of these …n freehold and 17 are leasehold.

…EHOLD PROPERTIES

Address	Description	Approximate area in square metres
…2 Broad Street, Port Elizabeth	Tannery	10,327
Paterson Road, Port Elizabeth	Footwear factory	4,747
12 Jules Street, Belgravia, Johannesburg	Warehouse, showroom and offices	248
…Sir Lowry Road, Cape Town	Cymot head office and warehouse	1,967
…ner of Buffalo and Gladstone …ets, East London	Warehouse and offices	613
…—27 Commissioner Street, …London	Warehouse and offices	607
…ner of Nugget and Durban …ts, Johannesburg	Warehouse and offices	1,467
…ton Street, Port Elizabeth	Warehouse and offices	3,103
…Street, Windhoek	Warehouse and offices	2,315
…Street, Upington	Warehouse and offices	429
…1 Pretoria Street, Cradock	Business site	1,109
…rf 1288, Upington	Private dwelling	867
…rf 770, Windhoek	Private dwelling	948
…, 12th Street, Welkom	Unimetal head office, weighbridge, offices, sheds and stores	10,400
…10th Street, Welkom	Workshops, offices and sheds	7,778
…Gaston Street, …elkom	Workshops, offices and sheds	45[illegible]
…ard Street, Heidelberg	Workshops, offices and sheds	7,203
…Street, Bayhead	Private dwelling	832
…Street, Sasolburg	Private dwelling	1,590
…eral Lot 33, Pyramid …Marine Drive, Bluff	Residential plot	2,993

…the freehold properties is estimated by the directors to be equal to its total book value of R2,850,000 …g mortgage bonds of R485,000. The private dwellings are used as such by branch managers. It is …the residential plot will be used in the future for the building of a further private dwelling.

LEASEHOLD PROPERTIES

	Address	Description	Approximate area in square metres	Unexpired period of lease at 30th June, 1973	Current annual rental
21.	2nd Floor, Standard Bank Centre, 78 Fox Street, Johannesburg	Offices of the Company	337	2 years 7 months	R39,888 of which part is sub-let at R20,532
22.	19—21 Church Street, Cradock	Warehouse and offices	1,110	5 months	R3,000
23.	134 Congella Road, Durban	Warehouse and offices	1,275	8 years	R16,686—of which part is sub-let at R13,800
24.	Corner of Vrede and Kort Streets, Bellville, Cape Province	Warehouse and offices	1,129	6 years 6 months	R27,336 of which part is sub-let at R11,025
25.	Portion of 40 Sir Lowry Road, Cape Town	Warehouse	1,000	7 months	R3,000
26.	38 Mahogany Road, Industrial Sites, Klerksdorp, Transvaal	Warehouse and offices	2,800	3 years	R2,100
27.	Erf 8826, 9th Street, Industrial Sites, Welkom	Land for storage of scrap metal	24,089	2 years 6 months	R5,400
28.	Erf 13948, Tannery Street, Bloemfontein	Workshop, offices and sheds	12,000	3 years 7 months	R10,200
29.	Lots 1—11 of S.A.R. Land, Oceanside, Bluff, Durban	Whaling factory, offices and magazines for storage of explosives for use in whaling	99,128	11 years 6 months	R4,894
30.	S.A.R. Slipway, Durban Harbour	Land adjoining slipway	1,382	11 years 6 months	R271
31.	Salisbury Island, Durban Harbour	Ship supply facilities	2,171	4 years 7 months	R6,335
32.	Lot 10 Block R, Maydon Wharf, Durban	Building	3,800	57 years 4 months	R2,205 but is sub-let at R15,000
33.	Salisbury Island, Durban Harbour	Miscellaneous buildings	962	Monthly tenancy	R1,829
34.	Paterson Road, Port Elizabeth	Warehouse	1,185	1 year 6 months	R6,692
35.	18 Mona Road, Durban	Workshop and offices	1,243	1 year 9 months	R8,377
36.	Lewis Buildings, corner of Pretorius Street and Paul Kruger Street, Pretoria	Workshop and offices	556	5 years	R3,900
37.	4th, 5th and portion of 6th Floors, Wela House, Corner of Simmonds Road and Error Street, New Doornfontein, Johannesburg	Workshop and offices	6,092	2 years 11 months	R22,472

None of the above rentals is subject to review, except that there is provision in certain of the leases for normal cost escalation.

Ordinary Share Capital of the Company

	Ordinary shares of 50 cents each	Rands
Authorised:		
At 1st September, 1971	2,000,000	1,000,000
Increase of capital on 1st August, 1972	3,000,000	1,500,000
	5,000,000	2,500,000
Issued fully paid:		
At 1st September, 1971	1,680,000	840,000
On 11th August, 1972	464,599	232,299-50
On 2nd October, 1972	927,708	463,854
On 21st December, 1972	200,000	100,000
On 21st May, 1973	998,326	499,163
	4,270,633	2,135,316-50
Issued partly paid:		
On 9th April, 1973	38,909	389-09
On 13th August, 1973	25,191	251-91
	64,100	641-00

Turnover and Profits

The turnover figures and the pre-tax profit contributions of the constituent companies of the Group for the last five periods ended 31st December, 1972 were as follows:—

	1968 Turnover R'000	1968 Profits R'000	1969 Turnover R'000	1969 Profits R'000	1970 Turnover R'000	1970 Profits R'000	1971 Turnover R'000	1971 Profits R'000	1972 Turnover R'000	1972 Profits R'000
Footwear and leather	5,895	197	6,469	231	7,154	239	6,965	311	11,595	210
Motor spares and accessories	4,509	282	4,747	304	5,431	371	8,974	386	8,653	383
Optical manufacturing and equipment	793	84	923	143	1,233	296	1,584	217	1,775	251
Metal reclamation	1,435	290	1,353	213	2,877	341	3,137	190	3,572	320
Whaling	1,423	(12)	2,337	239	2,130	383	2,637	649	3,120	819
	14,056	841	15,479	1,252	19,495	1,627	23,297	1,752	23,715	1,983

The respective periods upon which the above figures are based are as follows:—

1968: 1. Footwear and leather, Motor spares and accessories, Optical manufacturing and equipment—year ended 30th June, 1968.
2. Metal reclamation—year ended 28th February, 1968.
3. Whaling—year ended 30th September, 1968.

1969: 1. Footwear and leather, Motor spares and accessories, Optical manufacturing and equipment—year ended 30th June, 1969.
2. Metal reclamation—ten months ended 31st December, 1969.
3. Whaling—year ended 30th September, 1969.

1970: 1. Footwear and leather and Motor spares and accessories—year ended 30th June, 1970.
2. Optical manufacturing and equipment—eighteen months ended 31st December, 1970.
3. Metal reclamation—year ended 31st December, 1970.
4. Whaling—year ended 30th September, 1970.

1971: 1. Footwear and leather and Motor spares and accessories—year ended 30th June, 1971.
2. Optical manufacturing and equipment and Metal reclamation—year ended 31st December, 1971.
3. Whaling—year ended 30th September, 1971.

1972: 1. Footwear and leather and Motor spares and accessories—eighteen months ended 31st December, 1972.
2. Optical manufacturing and equipment and Metal reclamation—year ended 31st December, 1972.
3. Whaling—year ended 30th September, 1972.

Working Capital

In April, 1973, the Company offered to ordinary shareholders by way of rights R2,094,280 7 per cent. partly convertible unsecured notes 1978. The net proceeds of this issue amounted to R2,041,323. The directors are of the opinion that, taking into account those proceeds and banking facilities which are available, the Group has sufficient working capital for its present requirements.

Profits, Prospects and Dividends

Taking into account the improvement in both the South African reserves and balance of payments and due to the stimulatory measures recently implemented by the Government, the prospects for the South African economy and for the Group appear favourable for growth over the short to medium term.

During the financial period ended 31st December, 1972, substantial efforts were applied to restructuring the industrial interests of the Group, the benefits of which are already being felt in the current year. Apart from unprecedented fluctuations in hide prices, the volume of turnover since 31st December, 1972 of all the main activities of the Group has maintained expected satisfactory levels. As a result, the directors are confident that, in the absence of unforeseen circumstances, earnings per ordinary share for the 12 months ending 31st December, 1973, will be at least equal to the 20.2 cents earned during the previous eighteen month period.

The chairman, in his interim report dated 8th August, 1973, forecast that in the absence of unforeseen circumstances, dividends of 13 cents per ordinary share will be paid for the year ending 31st December, 1973. An interim dividend of 5 cents per ordinary share was declared on 8th August, 1973 and will be paid during November, 1973. A final dividend will be recommended for payment not later than May, 1974.

The following are the assumptions on which the forecast of profits of the Group for the year ending 31st December, 1973 have been based:—

(1) That from the date of this document to 31st December, 1973, there are no material changes in the Group's trading conditions.
(2) That recent trends in the volume of group sales, gross profit and expenses will be maintained within the framework of the cyclical nature of certain of the Group's activities.
(3) That no industrial action will affect either the Group's business or the supply of goods and services.

No account has been taken of any future acquisitions from the date of this document to 31st December, 1973.

There is set out below the reports by the sponsoring brokers and the accountants relating to the profit forecast:—

No. 1 Moorgate,
London EC2R 6AA.
4th September, 1973

The Directors,
BG Securities Limited.

Gentlemen,

BG SECURITIES LIMITED

We have discussed with you and with Tansley Witt & Co. and with Whiteley Brothers the document dated 4th September, 1973 *to be advertised in connection with the listing of the ordinary shares of BG Securities Limited on* The Stock Exchange, London. In our opinion the forecast (for which the directors of BG Securities Limited are solely responsible) has been prepared after due and careful enquiry.

Yours faithfully,
HEDDERWICK BORTHWICK & CO.
Members of The Stock Exchange.

2nd Floor, Amcor House, Marshall Street, Johannesburg.
28 Ely Place, London, EC1N 6TL.
4th September, 1973

The Directors,
BG Securities Limited.

Gentlemen,

In our opinion the forecast that the earnings per ordinary share for the year ending 31st December, 1973, will be not less than those for the 18 months to 31st December, 1972 (for which you as the directors of BG Securities Limited are solely responsible) has, so far as the accounting bases and calculations are concerned, been properly compiled on the footing of the assumptions made by yourselves and is presented on a basis consistent with the accounting practices normally adopted by your group.

Yours faithfully,
WHITELEY BROTHERS, *Chartered Accountants (S.A.)*
TANSLEY WITT & CO., *Chartered Accountants.*

Accountants' Report

The following is a copy of the report received from the Company's auditors, Whiteley Brothers, Chartered Accountants (S.A.), Johannesburg, and the reporting accountants, Tansley Witt & Co.:—

2nd Floor, Amcor House, Marshall Street, Johannesburg.
28 Ely Place, London, EC1N 6TL.
4th September, 1973

The Directors,
BG Securities Limited.

Gentlemen,

We have examined the audited Balance Sheets and accounts of BG Securities Limited (the "Company") and its subsidiaries (the "Group") for the period from 30th June, 1967, to 31st December, 1972. Subsidiaries acquired during the period are only dealt with from the dates of acquisition, which are set out in note 5 to the Balance Sheets and on the basis described in note 13.

PROFITS

The profits of the Group for the period from 1st July, 1967, to 31st December, 1972, are summarised below.

Because of the substantial acquisitions that occurred during the 18 months to 31st December, 1972, the profit for that period is not comparable with the profits earned in the prior years.

The results of Cymot Holdings Limited and its subsidiary (Cymot Group), Stan-Optical Holdings Limited and its subsidiaries (Stanoptical Group) and Universal Metal Holdings (Proprietary) Limited and its subsidiaries (Unimetal Group), the major acquisitions during the 18 months to 31st December, 1972, are summarised in the appendices.

	Notes	18 Months to 31st December 1972 R'000	Year to 30th June 1971 R'000	1970 R'000	1969 R'000	1968 R'000
Sales	1	23,376	6,965	7,154	6,469	5,896
Cost of sales less sundry revenue		22,369	6,654	6,915	6,178	5,698
Trading profit		1,007	311	239	291	198
Investment income		56	—	—	—	—
Profit before taxation	2	1,063	311	239	291	198
Taxation	3	377	106	70	87	51
Profit attributable to shareholders		686	205	169	204	147
Preference dividend		25	17	17	17	17
Profit attributable to equity		661	188	152	187	130
Ordinary dividend	4	347	42	42	84	63
		314	146	110	103	67
Less reserves of a subsidiary disposed of during the period		138	—	—	—	—
Retained earnings		176	146	110	103	67

NOTES:

1. **Sales**
Sales represents gross sales to third parties less trade discounts and returns.

2. **Profit before taxation**
The profit before taxation is shown after making such adjustments as we consider necessary and after charging all expenses, including:—

	R'000	R'000	R'000	R'000	R'000
Depreciation (see note 5)	218	79	105	88	79
Interest	227	73	71	49	52

3. **Taxation**
The charge for taxation represents South African tax on the profits for each period at the appropriate rates.

4. **Ordinary dividend**
The rate of dividend on ordinary shares for each period was — 24% 5% 5% 10% 7½%
The dividend for the 18 months to 31st December, 1972, was paid as to 8 per cent. on 2,144,599 shares and 16 per cent. on 3,272,307 shares.

5. **Depreciation**
No depreciation is provided on buildings.
Other assets are depreciated at rates which will write off their costs over their anticipated useful lives.

6. **Directors' emoluments**
The aggregate emoluments of the directors for the period ended 31st December, 1972, amounted to R64,328. Under the arrangements now in force the aggregate emoluments of the directors for the year ending 31st December, 1973, will be R43,546.

BALANCE SHEETS

The Balance Sheets of the Company and the Group, at the end of the last accounting period, 31st December, 1972, and the Group for the years ended 30th June, 1967 to 1971 are summarised below.

COMPANY 31st December, 1972 R'000		Notes	GROUP 31st December, 1972 R'000	30th June, 1971 R'000	30th June, 1970 R'000	30th June, 1969 R'000	30th June, 1968 R'000	30th June, 1967 R'000
	Current Assets							
—	Stocks	1	3,026	1,284	1,331	1,158	1,157	1,167
31	Debtors		3,698	1,146	1,222	1,162	887	1,060
—	Quoted shares (held by dealing companies)	2	37	—	—	—	—	—
1	Cash		137	74	14	2	21	2
32			6,955	2,556	2,567	2,322	2,015	2,229
	Current Liabilities							
—	Bank overdrafts	3	[illegible]	275	478	429	193	425
233	Creditors		1,776	525	557	332	262	304
8	Taxation		206	71	—	—	2	11
270	Proposed dividends (since paid)		279	55	57	32	71	71
—	Due to Group companies		—	31	10	5	5	10
511			3,195	942	1,088	858	533	821
(479)	Net Current Assets		3,762	1,554	1,479	1,464	1,482	1,408
1	Investments	4	5	1	1	1	—	—
6,591	Subsidiaries	5	—	—	—	—	—	—
—	Fixed Assets	6	4,266	1,514	1,485	1,423	1,336	1,347
6,113			[illegible]	3,072	2,966	2,888	2,818	2,755
235	Secured Loans	7	[illegible]	383	421	453	486	490
5,878	Net Tangible Assets		[illegible]	2,591	2,545	2,435	2,332	2,265
	Share Capital	8						
1,636	Ordinary		[illegible]	840	840	840	840	840
300	Preference		300	300	300	300	300	300
1,936			[illegible]	1,140	1,140	1,140	1,140	1,140
3,251	Share Premium Account	9	3,251	150	150	150	150	160
	Reserves							
[illegible]	Capital		[illegible]	91	91	91	91	91
459	Revenue and surplus		[illegible]	[illegible]	1,164	[illegible]	951	874
5,818			6,930	2,591	2,545	2,435	2,332	2,265

BG SECURITIES LIMITED

(continued)

NOTES ON COMPANY AND GROUP BALANCE SHEETS AT 31ST DECEMBER, 1972

1. Stocks
Stocks have been consistently valued at the lower of cost and net realisable value.

2. Quoted shares
The quoted shares included in current assets have a market value of R41,895.

3. Bank overdrafts
Bank overdrafts of subsidiaries are secured to the extent of R172,477 by the pledging of certain bills receivable which are included in debtors.

4. Investments

	Company R	Group R
Unquoted at cost less amounts written off	—	2,000
Quoted at cost	600	3,141
	600	5,141
Market value of quoted investments	R690	R3,231

In the opinion of the directors the unquoted investments are worth at least the value stated in the Balance Sheet.

5. Subsidiaries
The investment in subsidiaries is as follows:—

	R'000
Shares at cost	909
Amounts due from subsidiaries	5,980
	6,889
Amounts due to subsidiaries	298
	6,591

The following are the Company's subsidiaries all of which are wholly owned and incorporated in the Republic of South Africa:

Name	Incorporation date	Nature of business	Issued capital	Date company became a subsidiary
1. BG Industrial Holdings (Pty) Limited	26th October, 1972	Investment holding company	R2	26th October, 1972
2. BG Portfolio (Pty) Limited	17th October, 1972	Share dealing company	R2	17th October, 1972
3. BG Transactions (Pty) Limited	24th October, 1972	Share dealing company	R2	24th October, 1972
4. BG Management Services (Pty) Limited	17th October, 1972	Financial management	R2	17th October, 1972
5. BG Nominees (Pty) Limited	17th October, 1972	Investment nominee company	R2	17th October, 1972
6. BG Equities (Pty) Limited	10th August, 1972	Share dealing company	R2	10th August, 1972
7. Bagshaw Gibaud (Footwear) Limited	29th August, 1917	Manufacturers of footwear	R366,000	3rd January, 1947
8. Bagshaw Gibaud & Company Limited	9th March, 1911	Leather tannery	Ord. R192,000 Pref. R96,012	3rd January, 1947
9. Cymot Holdings Limited	10th August, 1922	Industrial holding company	R617,804	1st January, 1972
(a) Cymot Limited	18th June, 1971	Wholesale distributors of motor spares and accessories	R4,000	1st January, 1972
10. Stan-Optical Holdings Limited	30th December, 1970	Industrial holding company	R1,383,795	1st January, 1972
(a) Standard Optical Company (Pty) Limited	28th January, 1947	Optical manufacturers and wholesalers	R168,000	1st January, 1972
(b) Standard Optical Company (Natal) (Pty) Limited	11th January, 1964	Optical manufacturers and wholesalers	R840	1st January, 1972
(c) M. H. Scientific Sales (Pty) Limited	26th June, 1957	Distributors of sunglasses	R1,000	1st January, 1972
(d) Colin Field Contact Lens Laboratories (Pty) Limited	7th October, 1968	Contact lens manufacturers	R100	1st January, 1972
(e) Optilease (Pty) Limited	8th June, 1967	Spectacle manufacturers	R2	1st January, 1972
(f) Sim and Bennee (Pty) Limited	14th December, 1932	Optometrists and dispensing opticians	R12,000	1st January, 1972
11. Universal Metal Holdings (Pty) Limited	24th March, 1969	Industrial holding company	R2	1st January, 1972
(a) Universal Metal Merchants (Pty) Limited	9th June, 1964	Metal reclamation merchants	R250	1st January, 1972
(b) Baled Metals (Pty) Limited	11th March, 1953	Metal reclamation merchants	R200	1st January, 1972
(c) Goldfields Metal Merchants (Pty) Limited	10th November, 1958	Metal reclamation merchants	R200	1st January, 1972
(d) Acho Metals (Pty) Limited	2nd December, 1968	Metal reclamation merchants	R32,600	1st January, 1972
(e) Walter Metals (Pty) Limited	23rd March, 1965	Metal reclamation merchants	R500	1st January, 1972
(f) M. & P. Metals (Pty) Limited	6th August, 1965	Metal reclamation merchants	R250	1st January, 1972
(g) Hercules Metals (Pty) Limited	25th July, 1956	Metal reclamation merchants	R200	1st January, 1972
(h) J. & J. Metals (Pty) Limited	14th November, 1967	Metal reclamation merchants	R200	1st January, 1972
(i) Colin Mills Enterprises (Pty) Limited	3rd August, 1965	Property owning companies	R100	1st January, 1972
(j) Colin Mills Properties (Pty) Limited	9th June, 1964	Property owning companies	R100	1st January, 1972
(k) Colin Mills Holdings (Pty) Limited	8th June, 1964	Property owning companies	R100	1st January, 1972
(l) Colin Mills Investments (Pty) Limited	4th August, 1965	Property owning companies	R100	1st January, 1972
(m) Industrial Erf Six Four Four Five Welkom (Pty) Limited	19th June, 1967	Property owning companies	R100	1st January, 1972
(n) Bastion Street Properties (Pty) Limited	4th December, 1968	Property owning companies	R1,000	1st January, 1972
(o) Erf Five Seven Eight Nought (Pty) Limited	4th December, 1968	Property owning companies	R1,000	1st January, 1972
(p) Scott Walter (Pty) Limited	26th October, 1951	Property owning companies	R15,004	1st January, 1972

6. Fixed assets

	Freehold land and buildings R'000	Plant, furniture and vehicles R'000	Total R'000
At directors' valuation November, 1969	771	—	771
At professional valuations in 1970 and 1971 (see below)	1,929	—	1,929
	2,700	—	2,700
At cost	635	2,143	2,778
	3,335	2,143	5,478
Accumulated depreciation	—	1,212	1,212
Net book value, 31st December, 1972	3,335	931	4,266

Professional valuations of freehold land and buildings:—

Location of property	Professional valuer and qualification	Valuation amount R'000		Date
East London	A. J. Pachonick, Sworn Appraiser and Commissioner of Oaths	120		2nd March, 1971
Cradock	P. Coetzee, Sworn Appraiser of Cradock	11		9th March, 1971
Cape Town	Leonard J. Heller, J. P., Valuer, Member of The South African Institute of Valuers.	580		19th March, 1971
Durban	N. G. M. Eyles of Herbert Penny (Pty.) Limited, B Sc. Est. Man., London	450		8th April, 1971
Johannesburg	Donald R. Currie of Richard R. Currie (Pty.) Ltd., Johannesburg, Sworn Appraiser	265		24th June, 1970
Port Elizabeth	R. K. Hancock of Ralph Hancock Ltd., A.I.V.	30		4th March, 1971
Windhoek	J. J. Van Zyl of J. J. Van Zyl (Pty.) Ltd., Sworn Appraisers and Estate Agents	18	(Private dwelling house)	18th March, 1971
		248		17th March, 1971
Upington	J. D. Möller, B.A., LL.B., Sworn Appraiser	12	(Private dwelling house)	3rd March, 1971
		50		3rd March, 1971
Bloemfontein	E. Louis Ellenberger of E. Louis Ellenberger & Co., Sworn Appraiser	65		5th March, 1971
		1,929		

7. Secured loans

	Company R'000	Group R'000
Secured by mortgage over freehold land and buildings bearing interest at 10% for an indefinite period	—	250
Secured by mortgage over freehold land and buildings, bearing interest at 10% and repayable in half-yearly instalments commencing in 1980	—	371
Secured by mortgage over freehold land and buildings, bearing interest at 8% and repayable in 1991	—	16
Secured by mortgage over freehold land and buildings, bearing interest at 6½% and repayable in half-yearly instalments commencing in 1973	—	171
Secured by pledge of shares in a subsidiary bearing interest at ½% above ruling bank overdraft rate, and repayable on or before the 7th December, 1977	295	295
	295	1,103

8. Share capital

Authorised	
200,000 5½% cumulative preference shares of R2 each	400,000
5,000,000 ordinary shares of 50 cents each	2,500,000
	R2,900,000
Issued and fully paid	
150,000 5½% cumulative preference shares of R2 each	300,000
3,272,307 ordinary shares of 50 cents each	1,636,153
	R1,936,153

Of the unissued ordinary shares 1,407,693 were under the control of the directors.

9. Share premium
During the period under review share premium of R3,098,327 less share issue expenses of R6,965 was raised on the issue of ordinary shares. The share premium is subject to the restrictions of section 86 *quat* of the South African Companies Act which are similar to those of section 56 of the United Kingdom Companies Act, 1948.

10. Capital reserve

(a)	Balance per consolidated accounts 30th June, 1971	91,115
	Add: Arising from directors' revaluation of freehold land and buildings in a subsidiary company in November, 1969	211,739
	Adjusted balance 30th June, 1971	302,854
	Less: Excess of cost of shares in subsidiary companies over net tangible assets	221,102
		81,752
(b)	Arising on the sale of shares in a subsidiary company	162,346
	Arising on the sale of freehold land	74,881
	Write back of investment provision	3,776
	Less: Certain expenses of relocation of a factory	55,664
		185,339
		R267,091

11. Share purchase scheme
The amount due from employees in respect of loans made under the provisions of the scheme is R22,892.

12. Contingent liabilities
The Group had contingent liabilities at 31st December, 1972, in respect of:—
(a) Lease agreements of R151,477 discounted by a subsidiary.
(b) Guarantees of bank overdrafts of third parties amounting to R27,165 secured by the pledge of shares.

The Company had a contingent liability at 31st December, 1972 in respect of a subsidiary's bank overdraft amounting to R250,000.

13. Basis of consolidation accounting
The effective date of acquisition of those subsidiary companies acquired during the period under review, was 1st January, 1972. In the case of Universal Metal Holdings (Proprietary) Limited and Stan-Optical Holdings Limited, the split between pre and post acquisition profits is based on audited accounts. The audited accounts of Cymot Holdings Limited cover the eighteen months ended 31st December, 1972 and the division of the profits for the periods prior to and after 31st December, 1971 has been calculated by the directors on a basis approved by the auditors.

MATERIAL CHANGES

The following material changes, for which no adjustments have been made to the profits or to the Balance Sheets included in this report, have occurred since 31st December, 1972:—

(1) On 21st May, 1973 the Company acquired The Union Whaling Company Limited. The consideration for this acquisition was 998,326 fully paid ordinary shares of the Company and R405,455 in cash.

(2) The issue of R2,094,280 fully paid 9% unsecured partly convertible notes 1978.

ACCOUNTS

No audited accounts have been prepared by the Group since 31st December, 1972.

APPENDIX 1 — THE CYMOT GROUP PROFITS

The profits of the Cymot Group for the period from 1st July, 1967, to 31st December, 1972, are summarised below:—

	Notes	18 Months to 31st December 1972 R'000	Year to 30th June 1971 R'000	1970 R'000	1969 R'000	1968 R'000
Sales	1	9,653	5,974	5,431	4,747	4,509
Cost of sales less sundry revenue		9,271	5,589	5,060	4,443	4,227
Trading profit		382	385	371	304	282
Investment income		1	—	—	—	—
Profit before taxation	2	383	385	371	304	282
Taxation	3	142	152	142	124	100
Profit attributable to shareholders		241	233	229	180	182
Preference dividend		18	18	18	18	18
Profit attributable to equity		223	215	211	162	164
Ordinary dividend	4	180	127	127	127	119
Retained earnings		43	88	84	35	45

NOTES:

1. Sales
Sales represents gross sales to third parties less trade discounts and returns.

2. Profit before taxation
The profit before taxation is shown after making such adjustments as we consider necessary and after charging all expenses, including:—

	R'000	R'000	R'000	R'000	R'000
Depreciation (See note 5)	92	62	58	45	48
Interest	194	100	70	38	28

3. Taxation
The charge for taxation represents South African and South West African tax on the profits for each period at the appropriate rates.

4. Ordinary dividend

The rate of dividend on ordinary shares for each period was:—	29·10%	30·00%	30·00%	30·00%	28·05%

5. Depreciation
No depreciation is provided on buildings.
Other assets are depreciated at rates which will write off their costs over their anticipated useful lives.

6. Directors' emoluments
The aggregate emoluments of the directors for the period ended 31st December, 1972, amounted to R49,619.

BASIS OF CONSOLIDATION

The profits include the results of Cymot Limited for the period since 18th June, 1971, the date of incorporation.

APPENDIX 2 — THE STANOPTICAL GROUP PROFITS

The profits of the Stanoptical Group for the period from 1st July, 1967 to 31st December, 1972 are summarised below:—

	Notes	Year to 31st December 1972 R'000	1971 R'000	18 months to 31st December 1970 R'000	Year to 30th June 1969 R'000	1968 R'000
Sales		1,775	1,584	1,893	903	793
Cost of sales less sundry revenue		1,525	1,368	1,597	754	709
Trading profit		250	215	296	149	84
Investment income		1	2	—	—	—
Profit before taxation	2	251	217	296	149	84
Taxation	3	98	84	120	62	31
Profit attributable to equity		153	133	176	87	53
Ordinary dividend	4	42	50	—	1	—
Retained earnings		111	83	176	86	53

NOTES:

1. Sales
Sales represents gross sales to third parties less trade discounts and returns.

2. Profit before taxation
The profit before taxation is shown after making such adjustments as we consider necessary and after charging all expenses including:—

	R'000	R'000	R'000	R'000	R'000
Depreciation (see note 5)	27	18	21	10	7
Interest	3	5	1	1	4

3. Taxation
The charge for taxation represents South African tax on the profits for each period at the appropriate rates.

4. Ordinary dividend

The rate of dividend on ordinary shares for each period was:	2·97%	2·58%	—	—	3·00%

5. Depreciation
Fixed assets are depreciated at rates which will write off their costs over their anticipated useful lives.

6. Directors' emoluments
The aggregate emoluments of the directors for the year ended 31st December, 1972, amounted to R19,983.

BASIS OF CONSOLIDATION

Stan-Optical Holdings Limited was incorporated on 30th December, 1970 but the profits have been computed on the basis that the Group had existed for the entire period from 1st July, 1967 to 31st December, 1972.

The profits include the results of the six companies which became subsidiaries on 30th December, 1970 for the whole period and the results of Stan-Optical Holdings Limited for the period since that date.

APPENDIX 3 — THE UNIMETAL GROUP PROFITS

The profits of the Unimetal Group for the period from 1st March, 1968, to 31st December, 1972, are summarised below:—

	Notes	Year to 31st December 1972 R'000	1971 R'000	1970 R'000	10 months to 31st December 1969 R'000	Year to 28th February 1969 R'000
Sales	1	3,572	3,137	2,877	1,353	1,435
Cost of sales less sundry revenue		3,252	2,947	2,536	1,134	1,145
Profit before taxation	2	320	190	341	219	290
Taxation	3	132	65	137	89	107
Profit attributable to equity		188	125	204	130	183
Ordinary dividend	4	118	175	—	—	—
Retained earnings		70	(50)	204	130	183

NOTES:

1. Sales
Sales represents gross sales to third parties less trade discounts and returns.

2. Profit before taxation
The profit before taxation is shown after making such adjustments as we consider necessary and after charging all expenses, including:—

	R'000	R'000	R'000	R'000	R'000
Depreciation (See note 5)	53	42	37	14	14
Interest	73	37	26	4	2

3. Taxation
The charge for taxation represents South African tax on the profits for each period at the appropriate rates.

4. Ordinary dividend
The amount of dividend on each of the two issued ordinary shares for each period was:—

R'000	R'000	R'000	R'000	R'000
59	87 5	—	—	—

5. Depreciation
No depreciation is provided on buildings.
Other assets are depreciated at rates which will write off their costs over their anticipated useful lives.

6. Directors' emoluments
The aggregate emoluments of the directors for the year ended 31st December, 1972, amounted to R112,623.

BASIS OF CONSOLIDATION

Universal Metal Holdings (Proprietary) Limited was incorporated on 24th March, 1969, but the profits have be[en] computed on the basis that the Group had existed for the entire period from 1st March, 1968, to 31st December, 197[2].

The profits include the results of nine of the companies which were owned by the original shareholders of Univer[sal] Metal Holdings (Proprietary) Limited for the entire period and became subsidiaries on 24th March, 1969, and th[e] results of the following companies for the periods since the dates of incorporation or acquisition as shown below:

Baled Metals (Proprietary) Limited—acquired 1st July, 1968.
Acho Metals (Proprietary) Limited—incorporated 2nd December, 1968.
Bastion Street Properties (Proprietary) Limited } —incorporated 4th December, 1968.
Erf Five Seven Eight Nought (Proprietary) Limited }
Universal Metal Holdings (Proprietary) Limited—incorporated 24th March, 1969.
Hercules Metals (Proprietary) Limited—acquired 1st January, 1970.
Scott Walter (Proprietary) Limited—acquired 1st March, 1971.
J. & J. Metals (Proprietary) Limited—acquired 1st January, 1972.

Yours faithfully,

WHITELEY BROTHERS, Chartered Accountants (S.A.).
TANSLEY WITT & CO., Chartered Accountants.

Union Whaling

On 21st May, 1973 the Company acquired Union Whaling which has one non-trading subsidiary, Premier Whal[ing] Company Limited ("Premier Whaling"). There is set out below a table of Union Whaling's profits for the last five ye[ars] and its Balance Sheet at 30th September, 1972. The table and the Balance Sheet have been extracted from the audi[ted] accounts.

PROFITS

	Notes	Year ended 30th September 1972 R'000	1971 R'000	1970 R'000	1969 R'000	19[68] R'0[00]
Sales of whale products	1	3,120	2,637	2,130	2,007	1,4[illegible]
Less cost of sales		2,321	2,020	1,780	1,701	1,4[illegible]
Whaling profit		799	617	350	306	[illegible]
Other operations		71	78	73	14	[illegible]
Investment and other income	2	50	44	31	30	[illegible]
		920	739	454	350	[illegible]
Less Administration and sundry expenses		101	90	74	61	[illegible]
Profit before taxation	3	819	649	380	289	(
Taxation (1968 write back)	4	312	189	53	—	(2
Profit after taxation		507	460	327	289	2
Extraordinary items	5	(197)	—	(100)	—	1,9
Surplus attributable to equity		704	460	427	289	(1,6
Ordinary dividend	6	350	350	280	238	
Retained earnings		354	110	147	51	(1,7
Transfer to special maintenance reserve		300	—	—	—	
		54	110	147	51	(1,7

NOTES:

1. Sales
Sales represents gross sales to third parties.

2. Investment and other income

Income from trade investments	8	4	—	—	
Income from quoted investments	9	10	14	12	
Interest	25	22	13	14	
Property revenue	9	8	4	4	
	50	44	31	30	

3. Profit before taxation
The profit before taxation is shown after making such adjustments as were considered necessary and after char[ging] or crediting all expenses and revenue including:

Depreciation (See note 7)	89	78	82	51	
Surplus on disposal of fixed assets	2	2	12	12	

4. Taxation

South African taxation	247	113	4	—	
Deferred taxation	65	76	49	—	(
	312	189	53	—	(

The deferred taxation arises from including in whaling sales stocks on hand at net realisable value.

5. Extraordinary items
The extraordinary items comprise:

Special depreciation of whaling fleet	—	—	—	—	1,[illegible]
Net capital surplus on realisation of investments	197	—	100	—	
	197	—	100	—	1,[illegible]

6. Ordinary dividend

The rate of ordinary dividend for each period was:—	125%	125%	100%	85%	2

7. Depreciation
Buildings and other assets are depreciated over their anticipated useful lives.

8. Directors' emoluments

	R'000	R'000	R'000	R'000	R'[000]
The aggregate amount of directors' emoluments was	11	12	12	11	

BALANCE SHEET AT 30th SEPTEMBER 1972

	Notes	R'000	R'000
Current Assets			
Stock	1		1,651
Stores	2		118
Debtors			650
Cash			771
			3,190
Current Liabilities			
Creditors		393	
Taxation		372	
Proposed dividends (since paid)		350	1,115
Net Current Assets			2,075
Fixed Assets	3		438
Investments	4		15
			2,528
Deferred Taxation	5		190
Net Tangible Assets			2,338
Share Capital			
Ordinary	6		280
Reserves			2,058
			2,338

NOTES:

1. Stocks
Stocks are valued at estimated net realisable value.

2. Stores
Stores are valued at cost less provision for obsolescence.

3. Fixed assets

	Cost R'000	Depreciation R'000	Net book value R'000
Freehold Property	2	—	2
*Buildings	513	448	65
*Plant, vehicles and furniture	1,918	1,646	272
Whaling fleet	1,330	1,231	99
	3,763	3,325	438

*These assets are on leasehold property

4. Investments

Trade investments at cost	15,000
Quoted investments at cost less amounts written off	—
	R15,000
Market value of quoted investments	R25,000

In the opinion of the directors the trade investments are worth at least the value stated in the balance sheet.

5. Deferred taxation
The deferred taxation arises on valuing stocks at net realisable value.

6. Share capital
Authorised, issued and fully-paid
2,800,000 ordinary shares of 10 cents each — R280,000

7. Premier Whaling
Premier Whaling is dormant and has no liabilities. Its sole asset is a current account of R64,000 with Union Whali[ng]. It has therefore not been consolidated.

Pro Forma Unaudited Consolidated Statement of Net Tangible Assets

The following pro forma unaudited consolidated statement of net tangible assets is based on the audited Balanc[e] Sheets of the Group and Union Whaling at 31st December, 1972 and 30th September, 1972 respectively and take[s] into account the Company's rights issue during May 1973 of R2,094,280 9% partly convertible unsecured note[s] 1978 for cash and the consideration paid for Union Whaling of R405,455 in cash and the issue of 998,326 ordinar[y] shares of 50 cents each.

	R'000	R'000
Current Assets		
Stock		4,677
Stores		118
Debtors		4,348
Quoted shares (held by dealing companies)		37
Cash		1,653
		10,833
Current Liabilities		
Creditors	2,109	
Taxation	578	
Proposed dividends (since paid)	620	3,307
Net Current Assets		7,526
Fixed Assets		4,704
Investments		20
		12,250
Secured Loans	3,197	
Deferred Taxation	190	3,387
Net Tangible Assets		8,863

G SECURITIES LIMITED
(continued)

tracts

lowing contracts have been entered into within the past two years otherwise than in the ordinary course ss and are or may be material:—

d 9th May, 1972, between The South African Bata Shoe Company Limited (1) and the Company (2) eby the Company sold the total issued share capital of and the Company's claims against Bagshaw Gibaud enhage) Limited, owners of a tannery, for R800,000 in cash.

d 13th May, 1972, between the Company (1) and SWSA and Suitable Investment Nominees (Pty) Limited wholly owned subsidiary of SWSA) (2) whereby the Company acquired the total issued share capital of optical for 464,599 ordinary shares in the Company credited as fully paid and R360,772 in cash.

scheme of arrangement which became effective on 2nd October, 1972 the Company acquired the total d share capital of Cymot for 927,708 ordinary shares in the Company credited as fully paid.

d 16th August, 1972, between the Company (1) and Standard Merchant Bank Limited (2) being an rwriting agreement whereby Standard Merchant Bank Limited offered to purchase in conjunction with r Walker Trust Management Limited, the rights to shares in the Company to which former shareholders in ot became entitled under the scheme of arrangement.

d 18th August, 1972, between the Company (1) and Slater, Walker Trust Management Limited (2) being underwriting agreement whereby Slater, Walker Trust Management Limited offered to purchase in conjunc- with Standard Merchant Bank Limited the rights to shares in the Company to which former shareholders, ould became entitled under the scheme of arrangement.

d 18th December, 1972, between the Company (1) and SWSA and Slater, Walker Finance (Proprietary) ted (a wholly-owned subsidiary of SWSA) (2) whereby the Company acquired the total issued share al of and the vendors' claims against Unimetal for 200,000 ordinary shares in the Company credited as paid and R575,000 in cash, R280,000 was paid on delivery of the Unimetal shares and the remaining 5,000 is payable on or before 6th December, 1977. The amount outstanding from time to time bears interest per cent above the overdraft rate charged to SWSA by its bankers.

scheme of arrangement which became effective on 21st May, 1973, the Company acquired the total d share capital of Union Whaling for 998,326 ordinary shares in the Company credited as fully paid and 5,455-32 in cash.

d 14th March, 1973, between the Company (1) and SWSA and The Trust Accepting Bank Limited (2) g an underwriting agreement whereby SWSA and The Trust Accepting Bank Limited underwrote in equal ortions the issue of R2,094,280 9 per cent. partly convertible unsecured notes 1978, in consideration of payment of a commission of R36,649-90 to SWSA and R15,707-10 to The Trust Accepting Bank Limited.

d 28th March, 1973, between the Company (1) and The Trust Accepting Bank Limited (2) being a trust by which R2,094,280 9 per cent. unsecured partly convertible notes 1978 issued by the Company were tituted.

re Investment Scheme

n March, 1973, the Company entered into a share investment scheme whereby the directors of the Company d to offer scheme shares (ordinary shares in the Company allotted in terms of the scheme) to any full time subject (*inter alia*) to the following terms:—

offer will be made to an employee in excess of 50,000 scheme shares.

maximum number of scheme shares which may be allotted shall not exceed 5 per cent. of the Company's d ordinary share capital from time to time.

acceptance of an offer must be accompanied by the payment to the Company of one cent for each scheme for which the offer is accepted.

ffer is not assignable by the employee.

holder may not participate in dividends or transfer his shares until the subscription price is paid in full.

subscription price is equal to the middle market price of the Company's ordinary shares on The Johannesburg Exchange on the day immediately preceding the day on which the offer is made.

n the subscription price has been paid in full a scheme share shall rank *pari passu* in all respects with the fully paid ordinary shares in the Company.

norandum and cles of Association

morandum of association contains the following provisions in relation to the cumulative preference

umulative preference shares carry the right to a cumulative preferential dividend of 5½ per cent. per annum e amount paid up. They carry the further right in a winding up to payment of capital and arrears of dividend, her declared or not, down to the commencement of the winding up in priority to the ordinary shares but not carry the rights to any further participation in the profits or assets of the Company. The rights attaching e cumulative preference shares may only be varied by the consent in writing of holders of three-fourths ch shares or by special resolution of the holders of such shares at a separate class meeting.

s of association include the following provisions:—

g

to any special terms as to voting upon which any share may be issued, on a show of hands on a resolution al meeting every member (including a registered owner of cumulative preference shares), who being an is present in person, or being a company is present by a representative, who is entitled to vote on the shall have one vote. On a poll every member who is present in person or by proxy or representative shall vote for each share of which he is the registered holder.

tors

directors shall be paid as remuneration for their services as directors such remuneration (if any) as the pany in general meeting may from time to time determine. A director may be employed in any other capacity e Company or as director or employee of a Company subsidiary. Any contract appointing such officer shall a period of not longer than five years.

directors shall also be paid all travelling, hotel and other expenses properly incurred by them in attending returning from meetings of the directors or any committee of the directors or general meetings of the pany or in connection with the business of the Company.

director who performs services outside the scope of his ordinary duties may be paid such extra remuneration e directors may determine.

[illegible]

eral

[illegible]

THE WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The sub-division shown below is based mainly on last year's time-table.

TO-DAY

COMPANY MEETINGS—
Capital and Counties Property, Park Tower Hotel, S.W., 12.
Heath (Samuel) Birmingham, 12.
Rothschild Investment Trust, New Court, E.C., 12
Western Board Mills, Cardiff, 12.
Wolverhampton Racecourse, Wolverhampton, 12.

BOARD MEETINGS—
Finals:
Amigo. Inv. and Prop.
F and C. Eurotrust
Ind. Contract Cleaners
Lowe and Brydone (Printers)
Wilkinson Warburton

Interims:
[illegible]

City and Borough Property, Capital Hotel S.W., 12.
Daejan, Great Eastern Hotel, E.C., 12.
Davy International, Connaught Rooms, W.C., 12.
Distillers, Edinburgh, 12.15.
Eca Holdings, St. Asaph, 2.30.
Fisher (Albert), Burnley, 2.30.
Kent (George), Connaught Rooms, W.C., 12.
London Electrical and General Trust, 3, Gracechurch Street, E.C., 12.
Longton Transport, Stoke-on-Trent, 2.45.
Macarthys Pharmaceuticals, Ingatestone, 11.
Marling Industries, Connaught Rooms, W.C., 11.30.
Negretti and Zambra, Winchester House, E.C., 12.

[illegible]

THURSDAY, SEPTEMBER 20

COMPANY MEETINGS—
Barbury Buildings, Royal Leamington Spa, 12.
Braithwaite Engineers, St. Ermins Hotel S.W., 12.

CBI case against profit controls

KEY STATISTICS on which the CBI's case for the removal of controls on profit margins in Phase Three of the Government's counter-inflation policy are based are given in the table below:

Pre-Tax Company Sector Trading Profits at 1963 Prices

	Pre-tax trading profits at 1963 prices £m.	Index (1963=100)
1948	2,245	75.2
1949	2,296	77.6
1950	2,272	76.8
1951	2,571	86.9
1952	2,553	86.3
1953	2,663	90.1
1954	2,795	94.5
1955	2,949	99.7
1956	2,714	91.8
1957	2,712	91.7
1958	2,623	88.7
1959	2,827	95.6
1960	3,160	106.9
1961	2,790	94.3
1962	2,590	87.6
1963	2,957	100.0
1964	3,106	105.0
1965	3,087	104.4
1966	2,730	92.3
1967	2,776	93.9
1968	2,867	97.0
1969	2,431	82.2
1970	2,202	74.5
1971	1,973	66.8
1972	2,023	68.4

Pre-Tax Trading Profits as a Proportion of National Income

Year	National income £m.	Pre-tax profits £m.	Previous column as % of national income
1948	9,336	1,302	13.9
1949	10,193	1,371	13.4
1950	10,783	1,363	12.6
1951	11,852	1,658	14.0
1952	12,759	1,795	14.1
1953	13,762	1,928	14.0
1954	14,509	2,064	14.2
1955	15,505	2,259	14.6
1956	16,621	2,209	13.1
1957	17,823	2,297	12.9
1958	18,581	2,321	12.5
1959	19,536	2,544	13.0
1960	20,794	2,865	13.9
1961	22,246	2,642	11.9
1962	23,250	2,536	10.9
1963	24,773	2,927	11.9
1964	26,851	3,220	12.0
1965	28,679	3,304	11.5
1966	30,295	3,036	10.0
1967	31,891	3,178	10.0
1968	33,940	3,286	10.0
1969	35,702	2,951	8.3
1970	38,536	2,904	7.5
1971	43,593	2,873	6.6
1972	48,116	3,215	6.7

Pre-tax company sector trading profits are defined as company sector gross trading profits less stock appreciation and capital consumption. Part of company sector capital consumption relates to assets generating.

Source: National Income & Expenditure (CSO 1955 to 1973).

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

[illegible]

CINEMAS

CINEMAS ARE CONTINUED ON PAGE 30

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
10J	10D	Treasury 5¼pc 1973	98⅝	4.5	5.32	11.00
15J	15D	Conv 5½pc 1974	95¾	9.5	5.48	11.11
10M	10S	Treasury 5½pc 1974	95⅝	4.5	5.75	10.29
11J	11D	Treasury 6¾pc 1974	95⅞	7.5	7.04	10.34
15F	15A	Treasury 6pc 1975	94¼	25.6	6.35	10.50
		Treasury 8pc 1975	95½	—	8.38	11.02
15F	15A	Savings 3pc '65-75	89	9.7	3.34	8.89
1M	1S	Exch 6½pc 1976	90¼	26.7	7.20	11.19
15F	15A	Treasury 6½pc 1976	89⅛	9.7	7.29	10.92
1M	1S	Victory 4pc 1976	96½	26.7	4.14	6.52
10M	10S	Treasury 6¾pc 1977	86¾	6.8	7.20	10.94
15M	15S	Electric 3pc 74-77	83xd	9.6	3.51	8.76
20J	20D	Transport 4pc 72-77	81	14.5	4.94	9.52
15M	15S	Treasury 9pc 1978	91⅛xd	3.9	9.80	11.34
		Five to Fifteen Years				

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 20¾% (based on $2.4118 per £)

CANADIANS

Dividends Paid	Stock	£	Last xd	Div.	Cvr	Yld
F.MyAuN.	Hollinger $5	22⅛	30.7	$1.60	—	2.9
Apr. Oct.	Hudson's Bay	860pxd	3.9	56c	—	2.6
Jan. July	Hud.B.Oil G. $2½	24¼	25.6	70c	—	1.2
Mr.Je.S.D.	Imperial Oil	22⅛	31.6	60c	† —	1.1
F.My.Au.N.	Int. Nat. Gas $1	500p	27.1	72c	† —	5.8
Mr.Je.S.D.	Int. Nickel	16⅛	17.8	$1.0	—	2.5
Mr.Je.S.D.	Massey Ferg.	11¼	16.8	30c	—	1.1
December	Pacific Pet. $1	16	16.11	50c	—	1.3
	Peoples Dept.	560p	—	10c	—	0.7
— —	Place Gas $1	29½p	14.12	—	—	—
June Dec	Rio Algom	13¼	5.9	40c	—	1.2
M.Je.S.D.	Royal Bk. Can. $2	17¾	1.3	$1.04	† —	2.4
F.MyAuN.	Tor. Dom. Bk. $2	16⅝	2.7	$1.04	† —	2.6
J.ApJy.O.	Tra.Can.Pipe $1	14⅝	20.3	$1	—	2.8
Mar. Sept.	White Pass	550pxd	29.3	35c	—	2.6

S.E. List Premium 20¾% (based on $2.4320 per £)

"Recent Issues" and "Rights" Page 25

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £250 per annum for each security.

For Notes, see page 27

BANKS AND HIRE PURCHASE

Hire Purchase etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS—(Miscell.)

INDUSTRIALS—Continued

INDUSTRIALS—Continued

INSURANCE

MACHINE TOOLS

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TEXTILES—Continued

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

RUBBERS AND SISAL

Dividends Paid	Stock	Price	Last xd	Div.	Cvr	Y'ld pc
— —	Anglo-Indo'sian	30½	19.6.2	—	—	—
Sept.	Bertam [illegible] 10p	35	13.8	§12.9	0.9	5.1
July	[illegible] 10p	73	16.7	§14.7	0.8	2.9
January	[illegible] 10p	42	13.11	10	1.8	2.4
July Feb.	Castlefield 10p	78	2.7	15	1.5	1.9
May	Chersonese 10p	79	25.5	§28	0.7	5.1
May	Cons. Plants 10p	54½	26.2	16.6	ϕ	3.1
— —	Dunl. Plant 10p	25	5.65	ϕB	—	—
Jan. Mar.	[illegible] 10p	39	26.3	§8¾	0.8	3.2
May Dec.	Golden Hope 10p	59½	30.4	35	1.2	5.9
— —	Grand Central 10p	5¼	3.9	25	—	11.9
July Feb.	Guthrie Corp. £1	375	4.5	§12.9	1.3	5.0
Dec. July	H'ldands 10p	98	4.4	§25.7	0.5	3.8
Dec. July	Kuala Kepong 10p	139½	14.5	25	1.8	1.8
Jan. July	Kulim 10p	29½	30.4	§11.9	0.8	5.8
Jan. June	Ldn. Asiatic 10p	41	4.6	h§17.5	1.2	6.1
September	Ldn. Sumatra 10p	21	8.1	§10.3	1.5	4.7
Nov. July	Malakoff 10p	49½	30.4	12½	1.9	2.5
May Nov.	Malayalam 10p	15½	9.4	15	0.5	9.7
November	Muar River 10p	49	23.10	15	1.5	3.1
Nov. May	Padang 10p	38	9.4	h§16.3	1.1	6.1
Feb. Aug.	Plant'n Hlgs. 10p	52½	14.5	21	1.4	4.1
March	Sungei Krian £1	900	12.3	40	1.1	4.4
Aug. Apr.	Tanjong 10p	27½	30.4	N8	1.6	2.9
Sept. Apr.	Warren Rub. 10p	63ϕ	12.3	25	0.7	0.8

TEAS

India and Bangladesh

Dividends Paid	Stock	Price	Last xd	Div.	Cvr	Y'ld pc
Sept.	Assam & Afr. £1	44	13.8	4	1.7	9.1
December	Assam Dooars £1	80	11.12	7½	2.3	ϕ
October	Assam Front'r £1	70	2.10	8	Q1.0	11.4
Aug. Dec.	British Indian £1	76	9.4	6	1.5	7.9
July	[illegible] £1	160	—	—	—	—
August	Cons. Tea & Land £1	178	2.7	§0.7	—	0.6
August	Darj'ling Co. £1	80	4.4	§3.5	0.9	6.2
November	Jokai £1	75	16.10	8	1.1	10.7
August	Jorehaut £1	134	14.5	§3½	1.2	3.7
January	Lawrie £1	94	29.1	†§2.1	ϕ	3.3
September	McLeod Russel £1	102	4.9	ϕ5	—	4.9
Apr. Sept.	Moran £1	70	29.1	§2.9	—	6.1
September	Nedeem £1	25	17.61	B	—	—
July	Tezb Hldgs. £1	312	2.7	§5¼	2.8	2.4
January	Warren £1	60xd	3.9	6	2.1	10.0
October	Williamson £1	76	2.7	§4.2	2.1	7.9

Sri Lanka

Dividends Paid	Stock	Price	Last xd	Div.	Cvr	Y'ld pc
December	Central Prov.	12½	4.6	§1¾	—	3.5
Jan. July	Craigs House £1	143	4.6	10½	0.9	7.3
May Sept.	Lanka	35ϕ	3.70	3⅓	—	2.4
July	Lunuva £1	58	2.7	§2.9	Q1.1	7.2
November	Nuwara Eliya £1	24	10.70	—	—	—
October	Ouvah High £1	38xd	3.9	§1.5	3.0	5.5
May Oct.	Pelmadulla £1	136	26.3	11.2	ϕ	8.6
May	[illegible] 5p	24ϕ	15.5	ϕB	—	—
October	Sri Tea & Lds. £1	27	13.8	ϕ§2.1	ϕ	11.1
July	Standard £1	55	3.4	5	1.9	9.1
November	Tea Corporation	30	10.63	—	—	—

Africa

Dividends Paid	Stock	Price	Last xd	Div.	Cvr	Y'ld pc
May Nov.	Bandanga Hldg.	84	18.6	bg10.5	2.4	4.5
April	Blantyre £1	293	4.6	§14	1.5	8.6
— —	Peacock Sat. 10p	41	4.6	32½	1.8	7.9
Aug. Jan.	Ruo Estates	79	29.12	22½	1.3	7.1

MINES—CENTRAL RAND

Dividends Paid	Stock	Price	Last xd	Div.	Cvr	Y'ld pc
Aug. Feb.	Durban Deep R1	590	2.7	†30c	2.5	3.2
Aug. Feb.	E. Rand Prp. R1	350	2.7	†15c	4.5	2.7
—	Rand Leases 25c	25	6.58	—	—	—
— —	Randf'tn Est. R2	680	12.70	—	—	—
Aug. Feb.	West Rand R1	130	18.6	†8c	—	3.8

EASTERN RAND

Dividends Paid	Stock	Price	Last xd	Div.	Cvr	Y'ld pc
May Nov.	Bracken R1	155	9.4	25c	1.1	9.9
February	Daggafontein 50c	9	17.2	—	—	—
Aug. Feb.	East Dag R1	42	2.7	†45c	1.1	—
Aug. Feb.	G'vlei. Areas 25c	16	6.71	—	—	—
Aug. Feb.	Grootvlei 25c	108	2.7	†13c	1.0	7.4
May Nov.	Kinross R1	260	9.4	†30c	1.8	7.1
May Nov.	Leslie R1	78	9.4	14c	1.1	11.0
Feb. Aug.	Marievale	200	2.7	†30c	1.5	9.2
Aug. Feb.	S. African Ld. 35c	190	2.7	220c	—	6.4
Aug. Feb.	Vlakfontein R1	97	2.7	22c	1.0	13.9
May Nov.	Winkelhaak R1	470	9.4	†26c	1.7	3.4

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TINS

COPPER

MISCELLANEOUS

THE LEX COLUMN

Waiting for an opening in Brazil

It is curious how market opinion comes to discount risk and concentrate on opportunity. This is happening now in the case of Brazil—witness the City's enthusiasm for a stock like Brascan, and Ocean Wilsons' new all-time highs. In part, this may reflect recent diversion of interest from some of the other speculative overseas markets like Hong Kong, Singapore or—for the brave—the Philippines. Yet in its potential Brazil is much more comparable to Japan than to these other peripheral markets.

After all, this is a nation with a population of 100m., and an economic growth rate which has recently been running at above 10 per cent. in real terms. The present Government has imposed political stability since 1964. And as for inflation, that has been beaten down to 10-15 per cent. levels which are little removed from rates now familiar in what used to be much more respectable economies; much of the sting is anyway removed by Brazil's system of annual monetary correction.

But breaking into the carefully nurtured Brazilian capital markets from outside is a tricky process. Portfolio investment from the U.K. is impossible on any large scale at present (getting small sums of £100 or so a month in or out might be practicable, however). One possibility might be to make a direct investment which could later be switched, by merger or flotation, to the stock market. Even so, only 12 per cent. a year could be remitted without incurring penal taxation.

New incentives

A decree by the Government last month, however, showed that it is keen to put some life back into the stock markets. Companies are offered a tax rebate equal to a fifth of dividends if the latter are more than half the profits, while shareholders can avoid tax if the income is recycled into more shares. The local indices responded sharply—by something like 10 per cent. in a week in Rio (now a slightly smaller market than Sao Paulo). So there are now hopes that the attitude to external investment might be relaxed.

Brazil is, of course, wary of an inflationary surge of foreign money. But something might emerge from the visit by finance ministers to Europe next month—including, incidentally, an F.T. Conference early in November. If not, any developments might have to wait until the Government has settled down after the change of President next March.

Meanwhile the European Brazilian Bank, apparently in response to Government thinking, is planning an investment vehicle to tap international demand. A prospectus could be out before the end of the year for a \$40m.-\$50m. closed-end fund, fully invested in Brazilian equities but quoted in London and on other European exchanges. The closed-ended structure solves the Brazilians' foreign exchange problems; it would, though, leave the fund's shares vulnerable to high discounts on net worth at times of political uncertainty.

In any case, a heavy emphasis on the market leaders—hard to avoid for a large fund—might not be the best policy at this stage of the game. Brazil has already seen its great bull market in equities, with the Rio Index up from 200 to 5236 in the space of two and a-half years up to mid-1971; it had collapsed to 1500 by early this year before recovering recently to around 2500. This still leaves the big glamour stocks on p/es in the 15-to-30 range, and the interesting anomalies are probably to be found among the many smaller companies—often with solid growth records—which can be picked up at five to seven times earnings.

But these possibilities are of strictly academic interest for the time being. At the practical level, Ocean Wilsons is rather a restricted vehicle through which to participate in an economic miracle (it is capitalised at under £5m.) but last year's more than doubled profits from its Brazilian dock and harbour operations gave a good impression of the strength of the economy. Brascan, a Canadian company with a London listing, controls Light SA, a major supplier of Brazil's electric power, and is selling in Canada on a prospective p/e of maybe 4.6 (rising, however, to about eight in terms of remittable income). London buyers are nibbling, although the share price cannot move much until U.S. interest in the stock is awakened.

Laird Group

The year 1973 was comparatively unlikely to produce surprises from Laird Group, and a pre-tax figure of £3.08m. (against £2.55m.) with the forecast of an equally good second half is clearly in line with April targets of about £6m. this year against £5.3m. in 1972.

In fact, there is scope for a usefully better second half, though some fat may be saved up for 1974. In the recovery areas, the £200,000-plus turnround potential in ship repairing may be split fairly equally between the halves, but the same sum from loss elimination in plastics will fall entirely in the current period. Meanwhile the streamlining of the group's steel output has been progressive with increasing benefits to be felt as the year advances: and profits have still to be taken on Jetstream. Thus if Laird does turn in £6.2m. or so, it will probably have been accounting conservatively.

This may be important since the fashionable engineering groups are increasingly likely to be those that offer the best protection against the cycle. The further plus point here for Laird is the one-third of its equity capitalisation now in cash—earning well these days, but obviously more profitably employable in industry, whether within the group (where the return on book capital is around 30 per cent.) or outside. A net cash flow pushing towards a fifth of the £27m. equity capitalisation at 75½p is relevant in the same context. What the market needs is news that Laird is to use its cash.

See also Page 24

Weather

U.K. TO-DAY

SUNNY SPELLS, showers, in most area[s] with rain, becoming b[...] N. and E. of Britain.

London, S.E. and C[ent.] England, E. Midlands, [...] Islands.

Sunny intervals, showers. Wind W[...] moderate. Max. 19C (6[...]

E. Anglia, E. Eng[land] Rain at first, sunny showers developing. W[ind] moderate. Max. 18C (6[...] W. Midlands, S.W. E[ngland], S. Wales.

Sunny intervals, showers. Wind W[...] Max. 18C (64F).

N. Wales, N.W. and England, Lakes, Isle [of Man], S.W. Scotland, Glasgo[w], N. Ireland.

Scattered showers, s[unny inter]vals. Wind W., mode[rate. Max.] 16C (61F).

N.E. England, Borde[rs, Edin]burgh and E. Scotland, [...] Cent. Highlands, Mor[ay Firth], Caithness, N.W. S[cotland].

Cloudy, some rain, brighter. Wind light, Max. 15C (59F).

Orkney and She[tland]

Cloudy, some rain. [Wind] variable. Max. 13C (5[...]

Outlook: changeable, [at] times, sunny periods.

Lighting-up: Lond[on ...], Manchester 19.52, Glas[gow ...], Belfast 20.07.

BUSINESS CENT[RES]

		Y'day Mid-day °C	°F	
Alexandria	C	27	81	Madrid
Amstrdm.	F	22	72	Manche[ster]
Athens	S	27	81	Melbou[rne]
Bahrain	S	32	91	Mexico
Beirut	F	28	82	Milan
Belfast	C	19	66	Montre[al]
Belgrade	F	23	73	Moscow
Berlin	S	23	73	Munich
Birmghm.	C	21	70	Newcas[tle]
Bristol	C	21	70	New Y[ork]
Brussels	S	22	72	Oslo
Budapest	S	23	73	Perth
Cairo	S	28	82	Prague
Cardiff	F	19	66	Reykja[vik]
Cologne	C	24	75	Rio de [Janeiro]
Copnhagn.	F	26	70	Rome
Dublin	C	20	69	Singap[ore]
Edinb'rgh	F	19	66	Stockho[lm]
Frankfurt	R	19	66	Strasbo[urg]
Geneva	C	21	70	Sydney
Glasgow	C	17	63	Tehran
Helsinki	C	8	46	Tel Av[iv]
H. Kong	S	29	84	Tokyo
Jo'burg	S	16	62	Toronto
Lisbon	C	21	70	Vienna
London	C	20	66	Warsaw
Luxembrg.	F	23	73	Zurich

HOLIDAY RESO[RTS]

Ajaccio	C	28	82	Las Pl[almas]
Algiers	S	32	90	Locarno
Barcelona	F	27	81	Luxor
Biarritz	F	24	75	Majorca
Blackpool	S	21	50	Malaga
Bordeaux	C	25	77	Malta
Boulogne	F	19	66	Nairobi
Casablnca.	S	24	75	Naples
Cape Tn.	C	16	61	Nassau
Corfu	S	27	81	Nice
Dubrovnik	S	25	77	Nicosia
Faro	S	26	79	Oporto
Florence	F	20	66	Rhodes
Funchal	S	25	77	Salzbur[g]
Gibraltar	F	29	82	Tangier
Guernsey	C	17	61	Tenerif[e]
Innsbruck	T	18	64	Tunis
Inverness	C	14	57	Valenci[a]
Istanbul	F	22	72	Venice
Jersey	R	19	66	

S—Sunny. C—Cloudy. F—Fai[r] ... T—Thunderstorm

Lombard

Road back to the feudal system

BY C. GORDON TETHER

"OF ALL the creatures that roamed the financial plains before the Great Nuclear Accident," said the professor, "none was more awesome than the terranosaurus, or speculatus terrestrius terroris to give it its anthropological name.

"Relying for its prowess on brain rather than brawn, it regarded the less sophisticated animals as its legitimate prey. And being invariably able to outwit them, it was able to wreak havoc whenever it went on the rampage.

"From time to time, the afflicted combined to protect themselves against its depredations. But ever ready to adapt to changes in circumstances, it never took long to adjust to a new situation. It would re-emerge, for example, in a coat so unlike that which it had discarded that for a time it could mingle with its fellow creatures without its true identity being realised.

"We find it giving a particularly impressive display of this almost unique capability for re-birth in new guises in the closing decades of the twentieth century—old time. For a couple of hundred years prior to this, the old-style armour-plated terranosaurus had been under persistent attack from a new species of animal known as the social reformer.

Resilience

"Thanks to the efforts of these meddlesome creatures, the vast areas that the terranosauri—or land barons as they had come to be called—had acquired over the centuries were wrested from them and parcelled out among the landless peasantry. Indeed the process went so far that some contemporary writers began to assert that the species would become extinct.

"They had reckoned, however, without the traditional resilience of these intelligent and ruthless creatures. The great financial earthquakes that caused such devastation throughout the financial world as the twentieth century drew towards its close provided them with a new opportunity to re-establish themselves.

"Whether they actually engineered these upheavals as a means of enabling them to restore their fortunes—as some of our historians now maintain—it is impossible to say with absolute certainty. What we do know is that, having carried through the customary metamorphosis, they lost no time in exploiting the dramatic deterioration in the financial environment produced by these monetary convulsions to start rebuilding their lost empires.

"Using paper money which their natural ally—the bancosaurus—was licensed to generate by operating its credit-creation machinery, they bid up the price of property to such astronomical levels that the weaker and less sophisticated creatures seeking land to farm or a house to live in had no hope of competing with them.

"And, once set in motion, the growth of their domains proceeded apace. For the value of the money they had obtained from the bancosauri was perpetually shrinking so fast that the debt it represented could be almost extinguished in 10 to 20 years without a cent. actually being repaid. Yet the value of the real assets they had acquired went from strength to strength.

Vassalage

"Consequently, they were able to show such magnificent profits on their original acquisitions that they were soon in a position to make many more. And so on and so on until they had gobbled up almost all the land and property there was.

"The dream of creating a property-owning democracy, which had seemed to be so near fulfilment, was now seen to be no more than a dream. Just as the owner-farmer had disappeared from the country, so had the owner-occupier disappeared from the town. The terranosaurus was back in business everywhere, with the rest of the community having to pay generous tribute to him in order to live in the same way as it had done during the Middle Ages.

"Needless to say, the time came when the other creatures rose to throw off this new form of vassalage. But—as we find so often in the pre-Nuclear Accident World—the awakening did not come until after a great deal of suffering had been inflicted.

"Let us give thanks," the professor concluded, "that in our modern world we have mechanisms capable of uncovering forces that threaten our social fabric before—rather than after—the damage has been done. We can rest assured that, if the terranosaurus had not been wiped out by the Great Nuclear Accident, we would know how to deal with it."

Tight security as Heath and Cosgrave prepare for talks

BY DOMINICK J. COYLE AND JOHN BOURNE

DUBLIN, Sept. 16.

THE IRISH Army and Police have combined to mount the biggest and most comprehensive security operation in the history of the State for to-morrow's visit here by Mr. Edward Heath for talks on an Ulster settlement with Mr. Liam Cosgrave, the Irish Prime Minister.

The talks, historic in the sense that this will be the first official visit here of a British Premier since an independent Irish state was established more than 50 years ago, are expected to concentrate on two main areas—the proposed Northern Ireland Executive and plans for the creation of an All-Ireland Council.

Key ingredient

The two governments are known to view the Anglo-Irish summit meeting as a key ingredient in the recipe for a political settlement in the North acceptable to the mainstream of Protestant and Catholic thinking in the Province. Each side is now putting the emphasis on the need to maintain the momentum towards such a settlement, started with the Northern Assembly elections last June.

Essential to the British view is early and positive progress towards the formation of an effective power-sharing executive in Belfast. The Dublin Government, supported by the minority Social Democratic and Labour Party in the North favours simultaneous advance on both the Executive and on the so-called "Irish dimension" to an Ulster settlement, a Council of Ireland to link the two Irish administrations.

To the extent that to-morrow's crucial talks (the venue was still being kept secret here to-night for security reasons) produce a difference of opinion, this is likely to involve timing rather than principles. All the signs are that Whitehall's thinking and proposals on the Council are much less developed than those of the Dublin Government.

In Whitehall, Mr. Heath's visit is seen as both an important stage in cementing Anglo-Irish relations—cracked a little by the Littlejohn affair—and in giving a new impetus to the proposal for an All-Ireland Council.

British Ministers are reasonably optimistic on both counts. They see an especial need for the second because of the slow progress at the moment in talks about the creation of a Northern Executive.

They believe that if the Heath-Cosgrave discussions can produce a communiqué, which is helpful to reassure both the Catholics and the Protestants in Northern Ireland, this will be a considerable achievement.

On the other hand, Mr. Heath does not expect or wish to-morrow's statements to go into detail about the possible form and functions of the Council, which will clearly have to take account of the views of the North.

For example, he is particularly averse to involved discussions with Mr. Cosgrave about the Republic's proposal that the Council should have supervisory powers over the Royal Ulster Constabulary (and if necessary for tactical reasons, over the Republic's police).

Executive

Nor does he wish to reach any public agreement on Mr. Cosgrave's point that the next important stage should be a quadri-partite meeting between the two Governments and leaders of the Northern Ireland parties about the constitution of an All-Ireland Council.

British Ministers do not rule out discussions on the formation of the Executive between the Government and the Northern Ireland parties taking place more or less simultaneously with quadri-partite contacts about the Council. They seem to agree with Mr. Cosgrave that under certain circumstances such talks about the Council could help the Northern parties to agree on the constitution of their own Executives.

The British Government's fundamental position is that it wants to achieve eventually the formation of both bodies, and in this sense it has no hard and fast view about the timing of preparatory talks about the Council.

As one Whitehall observer put it to-night: "If quadri-partite talks, or any other sort of contacts, can advance the creation of the Northern Ireland Executive, so much the better. Mr. Cosgrave and Mr. Heath should both be able to agree to-morrow on the need for simultaneous progress towards both objectives, so long as the method or formula do not disturb the Ulster Unionist majority."

Mr. Cosgrave, for his part, will certainly be pressing Mr. Heath to convene a major conference on Ulster—October or early November are being mentioned here as likely dates—as foreshadowed in the British White Paper on the North published last March.

Such a conference would deal with three basic questions: acceptance (principally by Dublin and the SDLP) of the present constitutional status of Northern Ireland; the proposed Council of Ireland, its structure and scope; and agreement on concerted Governmental and community action against terrorist organisations.

Guilder revalued by 5 per cent

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

IN A batch of European anti-inflationary measures over the week-end, the Dutch guilder is being revalued by 5 per cent., and the Italian Bank Rate has been raised from 4 per cent. to 6½ per cent.

Further anti-inflationary measures are expected to be announced in Holland in to-morrow's Budget. Revaluation of the guilder takes effect this morning, however, following a time when its strength was once again threatening the viability of the EEC currency "snake."

After consultation with the Dutch, the other Benelux countries—Belgium and Luxembourg—announced over the week-end they were not following the Dutch move.

Since 1971, the Benelux countries have had an arrangement under which the margin of their currencies' fluctuations against one another should be kept at 1½ per cent.

The guilder, however, has strengthened much more than the Belgian franc since the Smithsonian agreement of December 1971, and at the end of last month, was 5.07 per cent. higher on a trade weighted basis, compared with 2.92 per cent. for the Belgian franc.

Last week, the Dutch currency rose above the official ceiling of the 2¼ per cent. EEC currency band.

With Holland running a current account balance-of-payments surplus at an annual rate of nearly £800m., there was every prospect that a revaluation would be forced sooner or later.

The Dutch revaluation was announced in terms of International Monetary Fund special drawing rights (the new value being SDR 0.298056).

Since the guilder was rising above the top of the EEC "snake" last week, the actual movement of the rate in the exchanges to-day will be much smaller than 5 per cent.

The fact that yet another formal parity change has had to be made during the short life of the EEC currency "snake" will be regarded as further ammunition by opponents of the EEC timetable for monetary union—of which the second stage is due to begin on January 1, 1974.

Outflow

Continued absence of the U.K. from the EEC joint float is another source of embarrassment to the Community. The size of sterling's recent fluctuations is a good demonstration of the problem of welding it to the other EEC currencies, but the question of the U.K. re-entering the float is in theory due to come up again next month.

The pound's depreciation against December, 1971, levels has moved from 9.74 per cent. on June 1 to 19.04 per cent. last Friday, and to-day's revaluation of the guilder produces another slight drop in sterling's weighted value. (Holland is quite important in U.K. trade.)

The increase in the Italian Bank Rate has come at a time when Italian interest rates—like those of the U.K. a few months ago—had seemed increasingly out of line with those of other countries.

The Italian Government wishes to prevent any outflow of capital prompted by interest rate considerations, and at the same time, evidently consider industrial recovery is strong enough not to be badly impeded by a tighter monetary stance.

Editorial comment, Page 14

Wage and price controls expected, Page 7

LIVERPOOL [...] IMPROVE JE[TTY]

Liverpool's 550-foot [land]ing roadway, built in [...] reconstructed in 1953, renovated again, star[ting in] February. Isle of Man [...] almost exclusively use[...] berths in the new land[ing stage ...]

Thorpe rejects coalition idea

BY RICHARD EVANS, LOBBY CORRESPONDENT

ON THE eve of the Liberal Party's most significant Assembly for years, Mr. Jeremy Thorpe, the Liberal leader, declared yesterday that the party was not aiming for a balance of power between the Conservatives and Labour.

Equally, he rejected the idea of a new coalition party of the Centre formed by the Liberals with support from the moderate wing of the Labour Party.

"We are not after a balance of power," he said in a BBC radio interview. "We are after the opportunity of putting our own policies into effect undiluted and the more MPs we get the more delighted I shall be."

Asked about the possible formation of a new political party he said: "If you want to see what happens to an unhappy coalition in politics you have to look no further than the Labour Party. I think the Labour Party is an unviable animal breaking apart at the seams. I do not want to see a coalition replaced by another coalition that is equally artificial."

From Mr. Thorpe's remarks it was apparent that the main aim at this week's Southport assembly will be to present the Liberals as a responsible party with a range of national policies drafted without pressure from any major power bloc.

Despite the recent spectacular by-election successes of the Liberals, Mr. Thorpe was under no illusions about their longer-term electoral prospects. "We could poll 20 per cent. of the votes and have only 12 seats or we could poll 40 per cent. and still find that the winner takes all."

The Liberals meet this week in a justifiable mood of euphoria. They have won four by-elections and more than 1,500 council seats since last year's Assembly, and have high hopes of defeating the Conservatives in the Berwick-on-Tweed by-election, and possibly even at Hove.

Every effort will be made by party leaders to curb the wilder extravagances of the Young Liberals, who have tried to push the party towards more extreme policies in recent years.

The five-day conference at Southport will start to-morrow with four "commissions" at which interested delegates will have informal discussions on specific aspects of policy and put recommendations to the full conference. Subjects are Parliamentary reform, education, food and agriculture and the status of women.

The Assembly proper opens on Wednesday with a major speech from Mr. Thorpe and debates on transport, regional policy, competition and corporate power, and on energy policy.

Thursday's business opens with a topical resolution which will almost certainly be on the economy and the cost of living. Lord Avebury, formerly the MP Mr. Eric Lubbock, will later address the Assembly on tactics to be adopted before the next General Election. This will be followed after Mr. Thorpe's summing-up speech on Saturday by a debate between the party leadership and delegates on how to win the maximum number of seats at the next General Election.

Between 1,200 and 1,300 delegates are expected to attend the Assembly. There will also be a much greater attendance than usual of the home and overseas Press.

Pay: Civil Servants drop threat

By Noel Howell, Labour Reporter

LEADERS OF the biggest civil service union, the Civil and Public Services Association, yesterday agreed to suspend their planned industrial action in the light of last week's Pay Board report on anomalies which identified civil servants as a "special case".

The CPSA is to continue, however, to press the Government to permit backdating of special case increases beyond the beginning of Phase Three suggested by the Board, as are leaders of 220,000 hospital ancillary workers who have lodged a major pay claim seeking a £25 a week minimum rate.

The ancillary workers' unions have asked the employers' side to join with them in approaching the Health Minister to press for backdating of any anomaly rise into Phase Two. Union leaders also want the employers' side to join with them in establishing that the ancillary workers meet the criteria laid down by the Board for an anomaly.

Normally linked to the pay of local authority manual workers, the ancillary workers this year had to accept in April 40p a week smaller increases than the local authority men won last November on the very eve of the pay freeze.

The hospital ancillary workers were one of the few groups to try to challenge the £1 plus 4 per cent. limit earlier this year and their new pay demands—which would mean increases of about £5.50 a week on male minimum rates—join the growing list of potential challenges to Phase Three policy, once it is determined.

The ancillary workers' current pay deal is due to run out in mid-December while engineers, miners and local authority manuals all have major claims outstanding.

Last Thursday's Pay Board report has however averted any immediate threat of industrial action in the civil service. The CPSA campaign—now suspended—of selective strikes, mass sit-ins and a one-day national strike would have otherwise started later this month.

Regional rallies—in working hours—are still planned for the middle of this week by the CPSA to explain the implications of the Board's report.

Hint of Barclays union merger

BY NOEL HOWELL, LABOUR REPORTER

THE FIRST public sign of a major reorganisation in staff representation in banking came over the weekend with the suggestion of a link between the Barclays Bank Staff Association and the National Union of Bank Employees.

The suggestion for creation of a single new staff body at Barclays—where currently the staff association and NUBE negotiate jointly—has come from the association in a formal approach to the union.

This is the first direct indication of the reaction of the established staff bodies in banking to the proposed merger—subject to a ballot—between the Midland Bank Staff Association and Mr. Clive Jenkins' Association of Scientific, Technical and Managerial Staffs, which is still the outsider in the banking world.

"I am very pleased, and we will be willing to discuss practical terms," said Mr. Leif Mills, NUBE general secretary, commenting on the Barclays association approach.

Any link up between the 100,000 member NUBE and the 28,500 member Barclays association would probably be more far reaching than a simple merger. Thinking at NUBE and among some staff associations is moving towards the creation of a new staff union—an umbrella organisation—with individual negotiating bodies being created in each clearing bank, combining both NUBE and staff association membership.

Earlier this year the Lloyds Bank staff association published a plan calling for broadly this set up but the prospect of the ASTMS move into banking has acted as a catalyst in moving NUBE and the staff associations—traditional rivals—closer together.

In the light of the ASTMS move, NUBE is this week expected to shelve its plan to withdraw from the national clearing bank negotiating machinery it currently shares with the staff associations.

There would still be considerable problems of detail in any getting together of NUBE and the staff associations. If successful, though, this could create a major new financial union with a membership potential of around 250,000.

A federal structure would be needed in any new body to accommodate NUBE membership in the Scottish banks, the Trustee Saving Banks, foreign banks and building societies along with the clearing banks' staff associations' desire for considerable autonomy for the staff bodies within each bank.

There is in any case likely to be a shift in negotiating emphasis in the clearing banks away from national machinery to more direct talks over pay with the individual banks.

In Essay News, its association journal, the Barclays staff association said ASTMS "it seems hard to see how the present national machinery could remain."

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